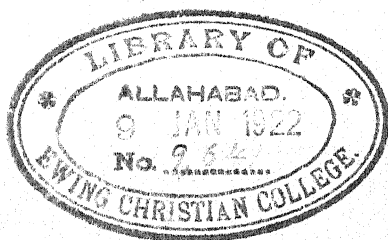


THE FAR EASTERN TROPICS



THE FAR EASTERN TROPICS

STUDIES IN THE ADMINISTRATION OF
TROPICAL DEPENDENCIES

*Hong Kong, British North Borneo, Sarawak,
Burma, the Federated Malay States, the
Straits Settlements, French Indo-China,
Java, the Philippine Islands*

BY

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PREFACE

IN 1901 I was appointed Colonial Commissioner of the University of Chicago for the purpose of visiting the Far East and preparing a comprehensive report on colonial administration in Southeastern Asia.

The report is now in course of preparation and will be issued in ten or twelve volumes by Messrs. Small, Maynard & Co., Cambridge, Mass., during the next four years.

The present volume is made up of two series of articles written during my absence in the Far East. One series appeared in "The Times" (London), the other in "The Outlook" (New York); and they make, in the form in which they are now issued, a group of studies on various phases of British, American, French, and Dutch colonial administration and policy.

Of the limitations of these studies no one can be more conscious than myself; but I am not without hope that, in the great scarcity of books in the English language on the subject of comparative colonization, students of political science may discover in them something of interest.

If the reader should find that there are many interesting questions which I have failed to notice,

I can only say that it is impossible to include in a single volume all that I hope to present in the extended report to which I have referred. My object has been rather to excite an interest in the problems of tropical colonization than to attempt a final disposition of those problems according to my lights.

Judging from my own experience during fifteen years of investigation in the field of colonial history and administration, the statistical and bibliographical appendices at the end of this volume should serve to smooth the path of any one who wishes to pursue further the lines of thought suggested in these studies; and I have introduced them in that belief, even at the risk of appearing to overload a book of short essays with the trappings of a scientific treatise.

Although it is impossible for me to express fully at present my appreciation of all the kind hospitality and the valuable assistance which were extended to me during more than two years' travel in the Far East, I cannot allow this opportunity to pass without acknowledging my deep sense of obligation to The Right Hon. the Marquess of Lansdowne, His Majesty's Principal Secretary of State for Foreign Affairs; to The Right Hon. Lord George Hamilton, formerly His Majesty's Principal Secretary of State for India; to The Right Hon. Joseph Chamberlain, formerly His Majesty's Principal Secretary of State

for the Colonies; to M. Decrais, former Minister of Colonies in France; and to Heer J. T. Cremer, former Minister of Colonies in Holland, for the kindness with which they interested themselves in my work, to the extent of securing for me every possible facility of travel and study in the various countries and colonies with which they were officially connected.

Finally I must express my most sincere thanks to His Highness Sir Charles Brooke, Raja of Sarawak, to Sir Frank Swettenham, former Governor of the Straits Settlements and High Commissioner of the Federated Malay States, to Mr. E. W. Birch, C.M.G., former Governor of British North Borneo, and to Major-General Leonard Wood, U. S. A., for assistance without which my labors in the Far East would have been in vain, and for hospitality which added to the great interest of my work all the charms of friendly companionship.

ALLEYNE IRELAND.

BOSTON, MASS., January, 1905.

NOTE. In order to avoid confusion in the reader's mind I may mention that I am a British subject, and that where I use the expressions "our colonial policy," "our Far Eastern possessions," and so on, I am referring to British policy, British possessions, etc.

A. I.

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THE FAR EASTERN TROPICS

CHAPTER I

INTRODUCTORY

THE most common fault to be observed in all discussions of administrative questions is the tendency to consider the introduction of some particular method or the carrying out of some particular reform as being very easy of accomplishment in any place which is a long way off. It is the New Yorker who sees no reason why London should not be covered with a network of car lines ; it is the Londoner who can furnish you with a plan for the reform of municipal government in New York. The prevalence of this fault is easily accounted for. We are all familiar with the limitations which immediately surround us, and we are ever ready to urge them as an excuse for things done or omitted ; but the limitations of a distant place always seem vague and unreal, and, as a natural consequence, the feasibility of any plan of administration appears to increase as the square of the distance to the point of application.

In the present volume an account is to be given of administrative methods in a number of Far

Eastern colonies, and the subject is to be approached from the standpoint of the limitations which are created by the local conditions prevailing in each dependency. But although in each colony our analysis of the system of government is to be accompanied by an account of the peculiar circumstances to which the local administration is adjusted, it is necessary, for the better understanding of the matter, that a few general considerations in regard to Colonial Government in the tropics should be set forth.

The colonies which are to form the subject of our inquiry lie in the tropics, and unless we develop clearly at the outset some of the fundamental conditions of tropical life, we shall be hampered by the necessity of explaining from time to time certain phenomena which may be accounted for once and for all by a statement of some of the general laws which govern civilization in the tropics.

*Civilization is
the product of
geographical
environment.*

The central idea from which we must start is this, that all human conditions, all human history, the whole expression of man in word and deed, are the result of the interaction of nature and man, of the animate and the inanimate — in other words, that civilization is the product of geographical environment. If we divide geographical environment into its unchangeable and its changeable factors, we find the former to consist of climate, the configuration of the land, and the nature of the soil; and the latter, of the surface conditions, which may be changed, for example, by afforesta-

tion, deforestation, or agriculture; the situation of a country, the effects of which may be modified by the introduction of railways, steamships, and telegraph lines; the unhealthiness of a country, which may be counteracted to some extent by hygienic science.

The changeable conditions of geographical environment will form the proper subject of discussion when each colony is dealt with separately, for we may then observe to what extent man has improved the advantages and overcome the disadvantages of his natural surroundings; our present concern is with the unchangeable factors, over which man has no control, and which may therefore be regarded as the origin of those fixed limitations which we must always have clearly before *The "Heat Belt"* us when discussing any question which relates to *68° mean temp.* the government of tropical countries. If we draw *30° N to 30° S.* across a map of the world the northern and southern isotherm of 68° Fahrenheit—that is to say, a line passing through those places in the northern and southern hemispheres which have a mean annual temperature of 68° Fahrenheit—we cut off a belt of the earth's surface 3600 miles across, lying roughly between 30° north latitude and 30° south latitude. This belt is called, for the sake of convenience, the heat belt. In this heat belt lie Mexico, the Central American Republics, the West Indies, the greater part of South America, practically the whole of Africa, Arabia, India, Burma, Indo-China, the Malay Peninsula, the Malay Archi-

pelago, Polynesia, and the Philippine Islands. Outside the heat belt lie the United States, the United Kingdom, Canada, the greater part of Australia, Central and Northern Asia, Japan, the greater part of China, and the continent of Europe.

The extreme significance of this grouping becomes apparent when we reflect that, apart from the work done by Europeans and Americans in the tropics, the civilization of the heat belt has remained stationary for a thousand years, and that the advancement of humanity during that period has been carried on entirely by the inhabitants of those countries which lie outside the heat belt.

Bearing in mind the elements which go to make up our own civilization, — Western civilization, so called, — it is most important to realize that during the past five hundred years, to go no further, the people of the heat belt have added nothing whatever to what we understand by human advancement. Those natives of the tropics and subtropics who have not been under direct European influence have not during that time made a single contribution of the first importance to art, literature, science, manufactures, or inventions; they have not produced an engineer, or a chemist, or a biologist, or a historian, or a painter, or a musician of the first rank; and even if we include half-castes and such natives as have enjoyed European education, the list of eminent men in the domain of art, science, literature, and invention, produced by the heat belt can be counted on the fingers of one hand.

People of the
heat belt have
added nothing
to human
advancement
for centuries

The point which I wish to emphasize is not that the civilization we prize so dearly is better than that of the heat belt, but that it is utterly different, and that no student of colonial problems who fails to adjust his observations to this overwhelming disparity can hope to reach any true understanding of the facts which fall under his notice.

It is necessary that we should examine the causes which lie at the back of the great differences which exist between tropical and non-tropical civilizations, for, with our tendency to overlook the limitations of places with which we are unfamiliar, there is a danger that we may underestimate the difficulties involved in reconciling these differences, and may cheerfully follow the lead of those who believe that the advanced state of knowledge in non-tropical countries has destroyed the significance of the race characteristics of tropical people so far as they constitute an element in the general problem of colonial administration.

The factor which comes earliest into play in the development of peoples is the accumulation of wealth, for, so long as any society is so situated that each member must work year in year out to obtain his food, clothing, and housing, there can be no advance in knowledge and no real progress. As soon, however, as there is an accumulated capital to draw from, some members of a society are relieved from the necessity of constant physical toil, and mental development begins. But in primitive societies the accumulation of wealth is regulated

Accumulation of wealth is first factor in human development

by two elements — the extent and nature of the labor which a community puts into the soil, and the extent and nature of the return which the soil yields to the labor bestowed on it; and each of these elements is the product of geographical environment.

It is clear that the climate of a country determines to a great extent the labor conditions which prevail there. Thus, in extreme climates labor is sure to be irregular; for, on the one hand, the severity of the winter and the shortness of the days, and, on the other hand, the intense heat and the dryness of the soil in summer, render continuous labor throughout the year impossible. This irregularity of labor is followed by the worst results, for it produces a general condition of apathy and helplessness in the people, which, being transmitted through centuries, acquires the rigidity of a race characteristic. I cannot refrain here from drawing the reader's attention to a fact to which I have frequently referred elsewhere — namely, our readiness to accept extreme cold as a bar to civilization and our refusal to accord a similar influence to extreme heat. Any limits we care to set to the development of Terra del Fuego, on account of its climate, will be received without remark; but if we attempt to assign bounds to the progress of Mindanao, through which the heat-equator passes, a thousand voices are raised in protest. But to take up the thread of our argument. It is evident that we must seek the beginnings of civilization in those

Problems
heat
add
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countries where, either from the nature of the climate the labor conditions were favorable to the production of a steadfast and thrifty people, or where, from the nature of the soil, the return to labor was very great and favored the easy accumulation of wealth. Under all circumstances, however, the latter cause would work more rapidly than the former, for it is produced by a direct action, whereas the other is the result of a reflex action; or, as Buckle has expressed it, "in one case the effect depends on the relation between the soil and its own produce — the operation of one part of external nature upon another; in the other case the effect depends on the relation between the climate and the laborer — that is, the operation of external nature not upon itself, but upon man." Accordingly, as might be expected, we find that the earliest civilizations developed in the most fertile parts of Asia, Africa, and America, in those countries where the geographical conditions made possible that accumulation of wealth which is the first condition of human progress. With low wages for labor and high wages for capital, and with the mass of people excluded from the right of land ownership, wealth accumulated very rapidly in the early tropical states — India, Egypt, Peru, and Mexico — and at a time when the non-tropical countries were still sunk in barbarism these tropical States enjoyed a comparatively high degree of civilization.

To-day it is the tropics that are in a state of

comparative barbarism, and it is in non-tropical countries that we find the highest civilization. We must not seek to account for this change on the principle of the rise and fall of nations, and dismiss the matter with the idea that another turn of the wheel will effect another reversal of position. One nation, one civilization, may fall, and another may rise, but there is no resurrection of nations or civilizations; these changes fall within the orderly process of evolution, and a type once discarded is never revived.

It is clear that any civilization which is based on the fertility of the soil and not on the energy of man contains within itself the seed of its own destruction. Where food is easily obtained, where there is little need for clothing or houses, where, in brief, unaided nature furnishes all man's necessities, those elements which produce strength of character and vigor of mind are wanting, and man becomes the slave of his surroundings. He acquires no energy of disposition, he yields himself to superstition and fatalism; the very conditions of life which produced his civilization set the limit of its existence. Thus it happens that tropical man, having been moulded into a particular form by his environment, having, in fact, after many centuries, acquired his race characteristics, finds himself, when confronted with new conditions, incapable of action and helpless to defend himself. It is then that a hardier race steps in, whether by accident or design, and establishes a new dominion founded on princi-

ples which the weaker race can neither understand nor adopt.

If this has been the history of tropical peoples, that of the non-tropical peoples has been exactly opposite in every respect. In the temperate zones civilization had its origin and man acquired his race characteristics under conditions the very reverse of those which prevail in the tropics. In the temperate zones the three prime conditions of existence were clothing, housing, and animal food; and these, so far from being supplied by nature, could be obtained only in a severe conflict with nature. Wild beasts had to be slain that their flesh might serve for food, their skins for clothing; forests had to be felled and the earth itself robbed in order that wood and stone might be obtained for the construction of houses which would afford shelter from the cold of winter. Man existed only by virtue of the extent to which he rose superior to his surroundings. Under such circumstances progress was slow; but it was accomplished under conditions which left each generation a little more advanced than the last, which improved the stock by killing off the inefficient, and which gradually developed in man the resources of his intellect. For non-tropical man nature was not a mysterious power which ruled his life and to which a blind obedience must be yielded; it was an enemy which must be fought. Each success left man emboldened and encouraged, and each obstacle overcome made him more impatient of those which remained.

The history of Western civilization is the history of man's emancipation from the tyranny of his surroundings; that of tropical civilization is the record of his enslavement. The significance of this antithesis lies in the fact that whereas in tropical civilization each succeeding day, by building up a heritage of increasing weakness and dependence, wrote failure in ever-darkening letters across the page of history, each hour of Western civilization marked some advance and yielded to man some new augmentation of his powers.

Before drawing together the thread of our argument and applying our conclusions to the immediate matter under consideration — the problem of the government of tropical people by non-tropical methods — a few instances may be drawn from history of the operation of the forces which have been described above.

The first consideration which presents itself is that no division of the earth's surface can be made which is so mutually exclusive of types of civilization as that which puts mankind into a heat belt and two temperate zones. If we make a division east and west, and compare countries of like latitude, we obtain no violent contrasts comparable to those obtained under the other division. Leaving out such sparsely populated territories as Siberia and South America, we see a high civilization in the United States and Canada as well as in Europe; and Russia presents points of similarity to China as well as to Western Europe. If we take language

as our standard, it is found that English, French, German, Spanish, Italian, Russian, give us no great dividing line; that contributions to human advancement have been made for centuries in each tongue; and that if we would secure a differentiation along this line we must compare the languages of Europe with those of the tropics, arriving by this method at our old division.

An interesting confirmation of our theory is furnished by the rise and decadence of Greece, Italy, Spain, and Portugal as the great powers of the world, and by the gradual northern movement of the centre of the highest civilization. The climatic conditions of those countries which lie in the south of Europe are more nearly tropical than those of the northerly countries, and consequently in them civilization developed more quickly; but at a later date, when the northern countries had reached, by more tedious processes, a certain degree of civilization, they took the sceptre from their southern neighbors, as the latter had taken it from Egypt and Northern Africa; and for the same reason, namely, that the climatic discipline of the country to the north produced qualities of dominance.

To note but one more fact which bears on our theory. It is interesting to recall that the tide of conquest since the Middle Ages has, with very few exceptions, run from north to south. The only permanent conquests east and west in like latitudes have been those in which an overwhelming superiority of numbers and resources has rested with one

of the parties to the contest, as for instance in the partition of Poland and the conquest of North America by France, Spain, and England. Yet practically the whole of Africa, the whole of tropical America, and the greater part of tropical Asia have been conquered and are to-day ruled by northern nations or by persons having northern blood in their veins.

I am aware that the above brief sketch of a theory leaves many things unaccounted for; but the broad outlines are, I hope, indicated with sufficient clearness to justify an application of the principles which have been developed in the course of our inquiry. Any nation which undertakes the administration of a tropical territory is charged with a twofold task — the formulation of a colonial policy, and the determination of the means by which that policy is to be carried out. On the most important point of colonial policy there can be no halting between two opinions. Having regard to the entire dissimilarity of Western civilization and that of the tropics, it must be determined at the outset what ideals are to prevail in the system of administration. In this matter the policy of all nations has been the same. Where the majority of the inhabitants of a colony belong to a civilization differing greatly from that of the sovereign state, the character of the administration has always been determined by the ideals of the dominant power, and native methods have been abolished. It is not a mere question of excluding the natives from office

— Englishmen fill scarcely one fourth of the offices in India, and Dutch officials are outnumbered by native officials in Java — but of imparting a particular character to the system of government.

It may be taken for granted that in tropical colonies controlled by Europeans or Americans, Western methods of government will be insisted on; and there remains then the problem of insuring the continued existence of a government of Western character. In regard to this problem there exists the greatest diversity of opinion, and it is here that the importance of a clear view of the origin and permanence of race characteristics becomes apparent.

When a tropical colony is first taken over, every one is agreed that the new order of things must be established under alien guidance; but opinion is soon divided on the question as to whether the natives, having once been shown the Western method of government, may be trusted, after a period of tutelage, to accept the new ideals, or whether, from the inherent differences in race characteristics, a Western government can be maintained in tropical countries only as long as white men are on the spot to keep things in line. Those who hold the former view are divided by the difference in their estimates of the time which must elapse before the leading-strings may be cast off; some consider it a question of years, some of generations, others of centuries. My own opinion, based on a consideration of the facts referred to above and on observations made

during a long residence in the tropics, is that we may be right or wrong in assuming that our methods, which were developed under conditions differing most completely from those we are now considering, are better suited to tropical countries than those of native rule; but that of this there can be no doubt whatever, that if native ideals are to prevail, the substantial control of affairs must remain in the hands of natives, and that if the administration is to be conducted on Western lines the control must rest with white men.

It is very easy to misrepresent a theory of this kind, to call it an advocacy of despotism, to credit one who holds it with a desire to oppress the natives of the tropics and to destroy their civilization. But it is a theory capable of a very different interpretation. It is one which, if accepted in good faith, places upon the colonizing powers a solemn duty and a grave responsibility for the honest and efficient administration of the affairs of people whose development has reached the limits imposed by inexorable natural laws. It is a theory which will yield to any people the utmost degree of self-government consistent with the maintenance of a set standard, which will foster every native institution which does not endanger that standard, which will hope against hope that help, guidance, and encouragement may within measurable time change that which it has taken immeasurable time to produce.

CHAPTER II

HONG KONG

HONG KONG is one of the smallest colonies in the British Empire, but in more than one respect it is the most interesting. Its area is less than thirty-one square miles;¹ its population is equal to that of Washington (300,000); yet in the year 1900 Hong Kong stood at the head of all ports of the world in the magnitude of its shipping. In tonnage entered and cleared in 1900 Hong Kong surpassed Liverpool by five million tons, Hamburg by one million, London and New York by about half a million tons each. The exact figures were:

TOTAL TONNAGE OF SHIPPING ENTERED AND CLEARED IN THE
FOREIGN TRADE IN 1900.

Hong Kong	17,247,023 tons.
New York	16,797,700
London	16,700,527
Hamburg	16,087,673
Liverpool	11,677,708

These figures appear the more remarkable if we consider the history of Hong Kong. The Island

¹ The New Territory, a tract of land recently leased from China and placed under the Government of Hong Kong, is not included in the figures relating to the area and population of Hong Kong.

1842
was ceded to England by China in 1842, by the Treaty of Nanking. At that time the population of the Colony was about 5000, made up of pirates, fishermen, farmers, and granite-workers, living in huts made of baked-mud bricks, and holding no intercourse with the outside world beyond Canton, which lies ninety miles to the north.

This was sixty years ago, and to-day Hong Kong has a population of 300,000 souls, a fine city for its capital, splendid roads, schools, churches, banks, hospitals, clubs, hotels, newspapers, electric light, cable cars, — in short, almost everything which we are accustomed to associate with the idea of an advanced civilization, — while it is connected with the outside world by cable and by the most extensive system of steamship lines which converge at any single port in the world.

England's mistakes largely due to refusal to follow advice of resident agents.
The transformation of Hong Kong forms one of the most striking chapters in the history of the white man's work in the tropics. It has not been accomplished without the commission of many grave errors of policy, due for the most part to the persistent refusal of the British Government to be guided by the views of the man on the spot; nor can it be said that even to-day the interests of the Colony are free from danger from the same cause; but the record, on the whole, has been one of brilliant success, and the administration of Hong Kong, though by no means free from faults, is a valuable object-lesson in the management of a Chinese community on Western lines.

The composition of the population of Hong Kong has been determined by two causes — the climate and the situation of the Island. The first of these, acting as a general factor, made it inevitable that the mass of the population should be of a colored race, for in no part of the tropics can manual labor be performed by white men, and it has always been found that, in places where the laboring classes are composed of colored men, only the very highest occupations will be taken up by white men. A natural limit is thus set to the proportion of white men which can be supported by any community in the tropics. The second cause, acting as a specific factor, assigned to Hong Kong a Chinese population; for if the climate predetermined a colored race, the situation of the island on the threshold of China decided which race it was to be.

The census returns of 1901 disclose the precise effects of these causes:

96.6%
population
Chinese

CIVIL POPULATION OF HONG KONG IN 1901.

Europeans and Americans...	6,454, equal to	2.27 per cent.
Chinese.....	274,543	96.68
Others	2,978	1.05

It is clear that for a colony with such a population any form of government which involves a general representation of the taxpayers is impossible, for less than two per cent. of the taxpayers are British subjects, and more than ninety-five per cent. are Chinese.

Crown Colony System

In the long experience of England in governing colonies, a form of government has been evolved to meet the case of a colony in which the population is made up of a handful of temporary residents belonging to the ruling race and an overwhelming number of natives. This is known as Crown Colony government. Its essential feature is the entire absence of any popular element in the administration, and the direct control exercised by the Colonial Office in London over all acts of the local authorities; the theory on which it is based is this, that, whereas a representative government in Hong Kong which rested on a general franchise would place the British residents under the heel of the Chinese, a franchise which extended only to white British subjects would put the mass of the population and the great majority of the taxpayers at the mercy of a handful of merchants, and that under such circumstances the best way to secure honest and efficient administration is to place the control of affairs in the hands of a distant body of trained officials.

The principles on which Crown Colony government rests are stated with clearness and brevity in the following extract from Earl Grey's "The Colonial Policy of Lord John Russell's Administration: "

Keeping steadily in view that the welfare and civilization of the inhabitants of the colonies and the advantage which the Empire at large may derive from their prosperity are the only objects for which the retention of these

dependencies is desirable, and believing also that there can be no doubt as to the superiority of free governments to those of an opposite character, as instruments for promoting the advancement of communities in which they can be made to work with success, I consider it to be the obvious duty and interest of this country to extend representative institutions to every one of its dependencies where they have not yet been established, and where this can be done with safety ; and also to take every opportunity of giving increased development to such institutions where they already exist, but in an imperfect form. But I believe that in some cases representative governments could not safely be created, and also that the same form of representative institutions is by no means applicable to colonies in different stages of social progress. The principal bar to the establishment of representative governments in colonies is their being inhabited by a population of which a large proportion is not of European race, and has not made such progress in civilization as to be capable of exercising with advantage the privileges of self-government.

Of such colonies Ceylon affords the best example. The great majority of its inhabitants are Asiatics, very low in the scale of civilization, and having the character and habits of mind which have from the earliest times prevented popular governments from taking root and flourishing among the nations of the East. Amidst a large population of this description there are settled, for the most part as temporary residents engaged in commerce or agriculture, a mere handful of Europeans and a larger number (but still very few in comparison with the whole population) of inhabitants of a mixed race. In such a colony the establishment of representative institutions would be in the highest degree inexpedient. If they were established in such a form as to confer power upon the great body of the people, it must be obvious that the

experiment would be attended with great danger, or rather with the certainty of failure. If, on the other hand, the system of representation were so contrived as to exclude the bulk of the native population from real power, in order to vest it in the hands of the European minority, an exceedingly narrow oligarchy would be created, a form of government which experience certainly does not show to be favorable to the welfare of the governed. Were a representative assembly constituted in Ceylon, which should possess the powers usually intrusted to such a body, and in which the European merchants and planters and their agents had the ascendancy, it can hardly be supposed that narrow views of class interests would not exercise greater influence in the legislation of the colony than a comprehensive consideration of the general good. To anticipate that this would be the effect of placing a large measure of power in the hands of a small minority implies no unfavorable opinion of the character and intelligence of the European inhabitants of Ceylon, but only a belief that they would act as men placed in such a situation have generally been found to do.

In Mauritius, Trinidad, Santa Lucia, and Natal a somewhat similar state of things exists; for although the preponderance of the uncivilized races in these colonies is far less overwhelming than in Ceylon, still, taking into account the immigrants from India and Africa (whose welfare is entitled to especial consideration), the inhabitants of European origin are but a fraction of the whole population. Hence it appears to me that the surrender of a large portion of the powers now exercised by the servants of the Crown, and the establishment of representative legislatures, would not be calculated to insure the administration of the government upon principles of justice and of an enlightened regard for the welfare of all classes in these communities. This end may, I believe, be

far better attained by maintaining for the present in these colonies the existing system of government, of which it would be a great mistake to suppose that, because the inhabitants are not entitled to elect any of the members of the legislatures, it provides no securities against abuse. Other influences are brought to bear upon the government of these colonies, which answer many of the objects of a legislature of a representative character. In the first place, in all of them, the press is perfectly free. The newspapers comment upon all the measures of the Government, not only with entire liberty, but with the most unbounded license; and the force both of local opinion, and also, to a considerable degree, of opinion in this country, is thus brought to bear upon all the measures of the administration. Every inhabitant of the colonies is also entitled freely to address to the Secretary of State any complaints or remarks he may think proper on the measures of the local authorities, subject only to the rule that such letters shall be transmitted through the hands of the Governor (who is bound to forward them), in order that he may at the same time send such explanations on the subject as appear to him to be called for. This privilege is largely exercised, and is the means of supplying much useful information. It is hence impossible that the Secretary of State can be kept in ignorance of any errors or abuses committed by the local authorities, while if he fails to interfere when he ought, he cannot himself escape the censure of Parliament. The greatly increased facilities of intercourse with the colonies have of late years effected a great practical alteration in the position of colonial governors; and whatever may have been the case formerly, it undoubtedly cannot be alleged that Parliament is now indifferent to what goes on in the colonies, or that faults, real or imaginary, which may be committed in the administration of their affairs can hope to escape the ever-ready

*Comm admistr
securities
against
abuse
1. freedom of the
press.*

*2. Addresses
to Governor
& Secy of State.*

criticism of an opposition eager to find matter for objection to the Government of the day.

The Government of Hong Kong consists of the Governor, the Executive Council, and the Legislative Council. The Governor is appointed by the Crown, and holds his office for five years. The Executive Council consists of six official and two unofficial members, presided over by the Governor. Of the six official members five hold their seats *ex officio* — namely, the gentlemen holding the offices of Senior Military Officer, Attorney-General, Colonial Secretary, Director of Public Works, and Colonial Treasurer. The sixth official member is the Harbormaster, who holds his seat by appointment. The two unofficial members are appointed by the Crown, through the Secretary of State for the Colonies. The meetings of the Executive Council are not open to the public; but minutes are kept, one copy of which is filed in the Colony, and one in the Colonial Office in London. The work of the Executive Council covers a very wide range of subjects. The ordinary business may be divided into seven classes: 1. Any matter in which the Governor requires special advice — as, for instance, when the heads of two departments of the Government differ in regard to some proposed measure which affects both departments. 2. The granting of leave of absence on half-pay to officials. 3. The dismissal of public servants. 4. The discussion of such legislative measures as it is proposed to lay before the Legislative Council. 5. The considera-

tion of cases in which a capital sentence has been pronounced on a criminal by the Supreme Court. 6. The reading of such confidential dispatches from the Secretary of State for the Colonies as the Governor may deem proper to lay before the Council. 7. The making of regulations by the Governor-in-Council, as provided by law, on such subjects as quarantine, opium licenses, sanitary by-laws, and so on.

The Legislative Council of Hong Kong consists of seven official and six unofficial members, presided over by the Governor, who has an original and a casting vote. Of the official members five are those who have seats in the Executive Council, and the other two are appointed. Of the unofficial members one is nominated by the Hong Kong Chamber of Commerce, and one by the Justices of the Peace of the Colony; the remaining four are appointed by the Crown, and of these one at least must be a Chinaman. Members of the Legislative Council hold their seats for six years, and are eligible for reappointment.

The most important duty of the Legislative Council is to pass the laws of the Colony. Any member may introduce a bill; but any bill, vote, or resolution, the object or effect of which may be to dispose of or charge any part of the revenue of the Colony, can be proposed only by the Governor or with his express consent. The annual estimates are discussed by the Legislative Council, and without its consent no money can be appropriated from

*Legislative
Council*

13 members

*makes laws with
consent of
government
and supervises
budget*

the revenue of the Colony. The meetings are open to the public, and a local "Hansard" preserves a verbatim account of the proceedings. The procedure of the Legislative Council of Hong Kong is, in the main, that of the British House of Commons.

Those conditions which render impossible the existence of a representative government in Hong Kong forbid also the introduction of municipal government in Victoria, the capital of the Colony; and there is thus no *imperium in imperio* in the Colony: everything — police, water-supply, lighting, sanitation — is administered by the Colonial Government.

It was proposed some years ago to establish a municipality in Hong Kong, and it is amusing to find in the Sessional Papers of the Colony a letter from a member of the Legislative Council opposing the change on the ground that "the evils that would spring from such a concession would destroy all confidence in the administration of affairs, and introduce the Colony to the municipal experiences of New York and San Francisco."

We have seen what the system of government is in Hong Kong, and we may now turn to the men who administer it.

The Civil Service of Hong Kong is what is known as a Cadet Service — that is, a service in which all the high administrative appointments are reserved for men who have passed the examinations prescribed for Eastern cadets.

An examination is held each year in London

(open to all British subjects, white or colored) for posts in the Home Civil Service, the Indian Civil Service, and the Eastern Cadet Service—that is, the Civil Services of Ceylon, Hong Kong, the Straits Settlements, and the Federated Malay States. There is only one examination, and successful candidates are allowed to choose, in their pass order, the service they wish to enter, until the vacancies are exhausted.

Of the severity of these examinations Mr. A. Lawrence Lowell, in his "Colonial Civil Service," says: "The examination papers are such as might be set, in an American university, for graduation honors or for a Ph.D. But it must be remembered that they are prepared by men who have nothing to do with the instruction of the candidates, and hence are really more difficult than similar papers, set by a professor to his own students, would be in America."

The men who, after passing the examination, select the Hong Kong service, are at once placed on the pay-roll of the Colony at a salary of \$1500 silver (equal to about \$750 gold), and are then sent to Canton for two years to study Chinese. During this time they must pass four examinations in Chinese, and failure in these is followed by dismissal from the service. Practically all posts in the public service of the Colony, except those in the technical services, are open to cadets, and it is understood that, as a rule, no one but a cadet can rise to the highest posts.

The salaries of the colonial officials of Hong Kong are high as measured by the standard of official salaries in the United States; but they are by no means too high if the paramount importance of securing the best men for the colonial service is considered. The salaries of the principal officials are as follows, in silver dollars equal to about fifty cents gold each: the Governor, \$35,000; the Chief Justice, \$13,500; the Colonial Secretary, \$10,800; the Attorney-General and the Puisne Judges, \$8400 each; the Director of Public Works, \$7800; the Harbormaster, the First Police Magistrate, and the Captain-Superintendent of Police, \$6000 each.

As Hong Kong is a free port, and as the trade is almost entirely a transit trade, no record is kept of the nature and value of the cargoes which enter and leave the harbor. The only guide, therefore, to the financial condition of the Island is the annual return of revenue and expenditure. The public revenue of Hong Kong in 1901 was \$3,973,578 (equal to about \$1,800,000 gold) — that is, \$6 gold per head of the population. More than four fifths of the revenue comes under eight heads: assessed taxes (equivalent to our municipal rates), \$708,000; opium monopoly, \$687,000; spirit licenses, \$126,000; revenue stamps, \$442,000; postage stamps, \$356,000; rent of Government land and buildings, \$555,000; profit on the issue of coinage, \$184,000; and water revenue, \$169,000.

The accounts of the expenditure of the Colony

show that out of a total expenditure of \$4,000,000 only one million dollars went as personal emoluments. Of the remaining \$3,000,000 more than three fifths fell under the heads: public works (roads, bridges, buildings), \$700,000; military contribution (a sum paid to England for the defense of the Colony and in consideration of the assignment to the Colony as Residents of nearly five thousand troops), \$851,000; miscellaneous services (chiefly incurred through measures of sanitation and the prevention of plague), \$469,000; police, \$400,000; pensions and retiring allowances, \$178,000; and charges on account of the public debt, \$162,000.

The task of administering the affairs of Hong Kong is a peculiar and difficult one. It must be remembered that very nearly ninety-seven per cent. of the population is Chinese, and that from the extraordinary difficulty of learning the Chinese language the intercourse between the mass of the people and those who are administering their affairs is limited almost entirely to brief official interviews. Fortunately, the Chinaman is, under ordinary circumstances, a law-abiding citizen with a wholesome respect for established authority. But the population of Hong Kong is not normal in its composition, for it contains an undue proportion of criminals. This is due to its proximity to Canton, and to the extreme mildness of the English criminal law as compared with that of China. As an example of this we may take the punishment which

would follow a third or fourth conviction of petty theft in Hong Kong and in China respectively. On the mainland an end would be put to the offender's career either by rubbing quicklime into his eyes or by crushing his ankle-bones so as to lame him for life; in Hong Kong he would get a few months' hard labor in jail. The result is that Hong Kong has become a happy hunting-ground for hundreds of criminals from the adjoining province of Kwangtung, and that the police force of the Colony costs about \$400,000 a year, or one tenth of the total expenditure.

But although the Chinaman is not, generally speaking, given to crime, he possesses certain characteristics which, from the standpoint of the colonial administrator, are even more difficult to deal with. Foremost among these is his absolute indifference to sanitary conditions of life. We are familiar with the idea of domestic animals living in some little hovel in the poorest districts of Ireland, and the picture is unpleasant even when we remember that during the day such animals will be out of doors. A Chinaman, unless he is closely watched, will keep pigs in the fourth story of a house in which perhaps a dozen families live beneath him; and on that fourth story, with its open-work floors, the pig will live and move and have his being until he changes his Saxon name for his French one.

Another thing which makes the Chinaman very difficult to deal with is the complete organization of all classes into guilds and secret societies, backed

Many Chinese
criminals
emigrate to
Hong Kong to
escape
punishment

by the solid influence of the clan and family ties. This social cohesion makes it almost impossible to protect individual interests or those of the Colony when these run counter to some habit or tradition of the Chinese. For instance, one of my Chinese servants commits an offense and I dismiss him. One of two things will happen : either I will engage in his place, unwittingly, another member of his family, a son, brother, uncle, or cousin, or, if by some rare chance I detect the relationship and refuse to engage the new applicant, I find it impossible to get a man in his place, for the union or guild to which the dismissed servant belongs will boycott me. It is the same in matters which affect the community at large. A man is fined by a magistrate for committing some offense against the sanitary laws ; the fine is paid by the guild, and the ends of justice are defeated.

The utter disregard of truth which is a marked trait of the Chinese character, the entire absence of any sense of shame when detected in a lie or in a crime, the mutual distrust which pervades all classes, the disregard of promises, the concentration of the minds of the people on the single idea of economy (which results, to give an instance, in a perfect readiness to eat diseased meat if it is sold a fraction cheaper than good meat), the incapacity of the Chinaman to feel ordinary physical pain (a peculiarity which has been mistaken by some observers for a remarkable fortitude in bearing it), the complete indifference to the misfortunes

of others — these things make the administration of a Chinese community difficult in the extreme.

It is discouraging to find that, as far as one can judge, three hundred and fifty years of contact with the white man has made no appreciable change in the Chinaman.

In talking over the matter with one or two highly educated and widely traveled Chinese gentlemen in Hong Kong, I was told that, with the exception of a mere handful of men in Hong Kong and the Treaty ports, contact with Western civilization had absolutely failed to change a single trait in the Chinese character; that we are as much hated and despised as ever we were by the mass of the people; that as far as the present is concerned, the existence of powerful armed forces alone insures the lives of the foreigners; and that, for the future, the probabilities pointed to the total exclusion of the foreigners from China. This they all deplored; but it was their sincere conviction.

At the time I visited Hong Kong in 1902 the administration was not in a very satisfactory condition. That this was to some extent the result of a heritage of disorder and lack of system may be gathered from a description of Hong Kong which appeared in "The Times" as far back as 1859:

Hong Kong is always connected with . . . some discreditable internal squabble. Every official's hand is there against his neighbor. The Governor has run away to seek health or quiet elsewhere. The newspaper proprietors were, of late, all more or less in prison or going to prison

or coming out of prison, on prosecutions by some one or more of the incriminated or incriminating officials. A dictator is needed, a sensible man, a man of tact and firmness. We cannot be always investigating a storm in a teapot where each individual tea-leaf has its dignity and its grievance. — *The Times*, March 15, 1859.

In passing the following criticisms on the state of the Colony as I found it in 1902,¹ I wish to disclaim any intention of making a personal attack upon any official; and no one who has spent four months, as I recently did, in the Colony could fail to be impressed, as I was, with the fact that in the senior as well as in the junior ranks of the service there are a few men of the highest ability and usefulness, nor could he fail to notice that such men were few and not many. On my first arrival in the Colony I found the Governor absent on leave, the administration of the Government being in the hands of the General commanding the troops. This fact raises a question which I have often discussed with colonial civil servants, — namely, the advisability of allowing a military officer, however competent in his own work, to take over the civil administration of a colony. On general principles it has always appeared to me — and in this opinion I have the support of almost every colonial official with whom I have discussed the matter — that the proper officer to administer the Government in the

¹ On my return to Hong Kong in 1904, several changes had taken place in the higher ranks of the Government service, and a marked improvement in the administration was to be observed.

absence of the Governor is the Colonial Secretary, and that, in cases when there are special reasons why the Colonial Secretary should not be allowed to act, the duty should devolve on the Chief Justice. The training of a soldier almost always unfits him for the duties of a civil administrator; and in Hong Kong, where a number of vexed questions exist between the military and civil authorities, it seems ill advised to combine the highest military authority and the highest civil authority in the person of one official. During the three months immediately following my arrival in the Colony three different gentlemen occupied the post of Colonial Secretary, and three different gentlemen acted as Registrar-General. The reports of the Finance Committee for 1901 show that the attendance included an Acting Attorney-General, an Acting Colonial Treasurer, and an Acting Director of Public Works. The service of the Colony has suffered greatly from the evil of acting appointments, and a system should be introduced under which it would not be necessary to transfer so many officials from one department to another whenever a senior official goes on leave.

Owing to the fact that there has been no official of Hong Kong specially charged with the preservation of the colonial records or with the collection of a suitable library for the Colonial Secretary's office and for the Council Chamber, there is not collected in any one place a complete set of the printed records of the Colony; and although the Council Chamber library contained a History of

Dalmatia and Montenegro and a volume of Greek Verses of Shrewsbury School, I found it unprovided with a complete set of the Colony's "Official Gazette," or with the Administration reports of the other Crown Colonies. The system of indexing the official correspondence of the Colony was one of utter confusion. There appeared to be no recognized set of finely subdivided subject-headings under which documents could be classified with some approach to uniformity, and the result is that a great deal of time is wasted in searching for documents to which reference becomes necessary from time to time.

Two circumstances have contributed very largely to the unsatisfactory condition of the clerical work of the Colonial Government,—one the inadequate size of the Government offices, and the other the employment of a large number of junior clerks, Chinese and Portuguese, at salaries little better than those paid to day laborers. After visiting every Colony of importance in the British Empire, except those situated in Africa, I can safely say that the Hong Kong Post-Office and Supreme Court are housed in the most wretched building ever dignified with the name of a Government office, and that the Colonial Secretary's department, the Public Works, and the Registrar-General's office are little better off. The Governor, happily for himself, has one of the best Government houses to be found among the smaller Colonies, and, in addition, a charming summer residence at the Peak. It should be a source of satisfaction

to the people of Hong Kong that at last the Colonial Office has consented to the erection of a number of new Government offices.

The matter of the junior clerks in the service is one which will have to be faced if the service is to be improved ; and there appears to be but one satisfactory solution, and that is the increased employment of cadets. The service is a cadet service, a system which has worked admirably in the Straits Settlements. It is an expensive way of securing efficient colonial civil servants, and after the expense has been incurred the result will not be satisfactory unless the heads of departments set a better standard of work than has prevailed hitherto in Hong Kong. But with the infusion of a more vigorous spirit into the administration, and with an increase in the number of cadets, those faults in the Government which have led to serious attempts to secure a change in the constitution of the Colony should be removed by a process of internal reform.

I have laid a good deal of stress on the inefficient work of the clerical departments of the Government and on defects in the machinery of administration, for the reason that the experience of colonial officials proves that, whereas bad work may occasionally be done where the general system is good, it is the rarest occurrence that good work is done where the general system is bad. Nothing has been said of specific instances of bad work in the various departments of the Government of Hong Kong, because such criticisms would have involved a direct

reflection on the ability of individual officials. But two instances may be cited in which a grave responsibility has rested on successive Governors and on their advisers, and in which the interests of the Colony have been sacrificed to official dilatoriness. In 1894 a serious outbreak of bubonic plague occurred in Hong Kong, and from that time onward the Colony has scarcely been free from it. Notwithstanding the serious nature of such a visitation, it was not until 1901 that the Government took the matter thoroughly in hand by calling for a report on the subject from Professor W. J. Simpson; and a Public Health and Buildings Ordinance was drafted as the outcome of Professor Simpson's report and of the advice of Mr. Osbert Chadwick, C.M.G., and of Dr. Francis Clark, Medical Officer of Health, some eight years after the first outbreak of plague. The other instance to which I refer is the water-supply of the Colony. About twenty years ago Mr. Osbert Chadwick, C.M.G., was called upon to make a report on the water-supply of Hong Kong. He supplied the Government with a number of suggestions, which were only carried out in part. During the first half of 1901 the Colony was threatened with an absolute loss of its water-supply. So grave had the situation become in the Colony in April, 1902, that the water was only turned on for half an hour daily, and water had to be brought over from Kowloon in boats. The suffering produced by a water famine in a tropical country can scarcely be imagined by any

one who has not witnessed it; and it is one of the first duties of the Government to protect the people against such an occurrence. After an interval of twenty years, Mr. Chadwick had to be again called to the Colony to report once more on the water-supply.¹

England should have several Inspectors of Colonies to visit the Crown Colonies

The general condition of the administration of Hong Kong suggests a step, the advisability of which cannot have failed to impress itself on the minds of all those who are familiar with Crown Colony government, the appointment, as servants of the Colonial Office, of two or three Inspectors of Colonies. The duties of such officials would be to visit in rotation all the Crown Colonies and those of similar type, like British Guiana and Jamaica, and to investigate the work of the local officials. The Colonial Office at present exercises a certain supervision over the officials in Crown Colonies; but it labors under the great disadvantage that its investigations are conducted away from the spot and by men who, however great may be their ability, have as a rule no knowledge from personal observation of local conditions. The men most suitable for the work of Colonial Inspectors would be those who had shown marked ability as Colonial Secretaries in the Crown Colonies and in other parts of our tropical empire.

¹ As a result of Mr. Chadwick's latest report steps are now being taken to provide Hong Kong with an adequate water-system.

CHAPTER III

BRITISH NORTH BORNEO

THERE is no portion of the British Empire in the tropics which has been endowed in a higher degree by nature with those things which, under the intelligent activity of man, spell wealth and success, than British North Borneo. A rich soil, an ample rainfall, a diversified surface of open plain and sheltered valley, a long coast-line, fine rivers, good harbors, and a climate no worse than that of the Malay Peninsula combine to make British North Borneo an ideal spot for the founding of a prosperous State. Nor is this excellence of material confined to the land alone. From the administrative standpoint the country is full of possibilities. The native population is very small; the opposition to the Government, since the death of Mat Salleh, is no longer of a serious nature; there is no frontier question; and, above all, the administration is, for all practical purposes, absolutely independent alike of arbitrary interference from outside and from that more insidious evil of the tropics, the divided counsels of an elected legislature.

The spectacle is that of a company of British merchants in absolute control of thirty thousand square miles of country, and free to adopt any plan which may seem good to them for the development

*Not tropical
colony better
endowed for
success than
Borneo*

of their property. It recalls the task of the East India Company and of the Hudson's Bay Company, and serves to point the great advantages with which the newer company entered upon its work — facilities of communication with the outside world, the absence of military problems, and freedom from the difficult questions of policy raised by the existence of a very dense or of a very warlike population. In such circumstances one might reasonably look for some striking success, for some remarkable increase in the prosperity of the country ; but up to the present time no such results have followed the acquisition of the country by the British North Borneo Company. That success, great success, is within the grasp of the directors must be clear to any one who knows the country and has had an opportunity of observing the fine administrative ability of the present Governor, Mr. E. W. Birch, C.M.G. ;¹ but if the future is to be measured by the past, a grave doubt arises as to whether the Company, having secured an administrator who thoroughly understands the needs of the country and the best methods by which they can be met, will be content to give him a free hand, or will still insist that Leadenhall Street is the real capital of British North Borneo, and Sandakan merely a point at the end of a telegraph line.

¹ Since this was written Mr. Birch has had a difference of opinion with the directors and has resigned. He now occupies the post of Resident of Perak, one of the Federated Malay States.

North Borneo
governed by
merchants'
company.

Governor
handicapped
by interference
of directors
at home.

Although our present concern is chiefly with the condition and government of British North Borneo, one or two facts in connection with the history of the country are of sufficient interest to call for a passing word.

In 1858 the famous East India Company ceased to exist; its political and territorial rights passed to the British Crown; its special trading rights had disappeared some years before. It was generally believed that the day of great commercial companies with the territorial powers of States was over. In 1869 Mr. William Forsyth, writing of the Hudson's Bay Company, said: "I have endeavored to give some account of the last of the great proprietary companies. . . . It may continue to exist as a trading company, but as a territorial power it must make up its mind to fold its (buffalo) robes around it and die with dignity."

The British North Borneo Company, therefore, acquires a special interest for students of history from the fact that its charter, granted in 1881, marks the revival of the old discarded policy of commercial companies endowed with territorial authority, and because it is the oldest of that group of companies which includes the Imperial British East Africa Company and the British South Africa-Chartered Company.

Another point of historical interest is that the greater portion of the territory of the Company was originally acquired in 1865 from the Sultan of Brunei, together with all sovereign rights, by

the American consul for Brunei, who forthwith formed the American Trading Company of Borneo. This Company, from one cause and another, failed to do any good with its territory, and sold its rights in 1877 to two Hong Kong merchants, Mr. (now Sir) Alfred Dent and Baron von Overbeck, an Austrian. This led to the formation of the British North Borneo Company, which was incorporated under Royal Charter on November 1, 1881.

Finally, it is a curious circumstance that the charter should have been granted on the advice of Mr. Gladstone and his Ministers, confirmed anti-expansionists. This incongruity was noted at the time by Mr. A. J. Balfour, the present Prime Minister of England, who, in the course of the debate in the House of Commons on the granting of the charter, said: "This debate is, I think, the most singular thing I have ever listened to in this House. There have been a great many able speeches delivered in defense of Her Majesty's Government, but these speeches have all come from this side of the House.¹ There have been several Jingo speeches delivered here, but the most remarkable example of them has come from the Treasury bench."²

So it is seen that the Company is remarkable in that it acquired its territory from an American citizen, its charter from a Liberal Government, and that the countenance afforded it by England marked the reëstablishment of conditions which every one believed to have finally disappeared.

¹ *i. e.* from the Opposition.

² *i. e.* from the Liberals.

In the last chapter some account was given of the British Crown Colony of Hong Kong, and it is perhaps fortunate that the present chapter should deal with the British Protected State of North Borneo (better known as British North Borneo), for no two colonies situated in the same part of the world could possibly present to the student greater contrasts in every matter with which political economy and sociology are concerned.

The former has a very small area and a very large population; in the latter these conditions are reversed. The area of British North Borneo (30,000 square miles) is about equal to that of the State of Maine; the area of Hong Kong (thirty square miles) is less than that of the City of Indianapolis; but the former Colony has a population of less than four persons to the square mile, the latter a population of more than ten thousand to the square mile. In the thirty square miles of Hong Kong there are, excluding naval and military forces, nearly seven thousand white people; in the thirty thousand square miles of British North Borneo there are less than two hundred. Hong Kong exists only by virtue of its shipping, and agricultural interests are insignificant; in British North Borneo everything is of the land, — tobacco, timber, india-rubber, gutta-percha, cocoanuts, — and one steamer a week represents the foreign shipping of the country.

A comparison of the populations discloses yet greater differences. In Hong Kong ninety-six per

cent. of the people are Chinese—a race used to the life of cities, saturated with a political theory entirely democratic in all essentials, possessing a great literature and a native system of philosophy, a race moulded to a social form more completely developed, more minutely defined, and more unalterably fixed than that of any other country in the world. In North Borneo, on the other hand, scarcely fifteen per cent. of the population is Chinese. The mass of the people belong to three native tribes—Bajau, Dusun, and Murut. The Bajaus are a race of sea-gypsies—pirates turned fishermen, under British guidance; the Dusuns are a coast folk living in small villages or kampongs by the shore and along the foothills; the Muruts are a half-savage tribe in the far interior.

These people differ greatly from one another in many important respects, but from the administrative standpoint they have this much in common, that they have no written language, no cities, no wealth, and that the internal relations of each tribe are purely feudal in character.

To close our comparison, it may be pointed out that the brilliant career of Hong Kong, granted the maintenance of law and order, has not been due in any great degree to excellence of internal administration, but to the fortunate position of the Colony as affording a good harbor at the southern gate of China. British North Borneo is too young to have had a career as yet, since the State is scarcely twenty years old; but it is abundantly

clear that its present condition has nothing to do with extraneous causes, and that the future of the country rests entirely on the single question of wise and skillful administration.

Hong Kong's success due to harbor; Borneo's success was depend on wise administration

The principal questions which the Government of British North Borneo is called on to face rest upon three main factors — two of local origin, the need of immigration and the general nature of the country, which together comprise the problem of development *per se*; and one of an extraneous nature — namely, the declared wishes of the shareholders of the Company, which may or may not coincide with the best interests of the country itself as viewed from the purely administrative standpoint.

The story of how the Company has faced its task of finding the capital, the population, and the administrative skill for the conduct of its enterprise may be preceded by a description of the general form of the Government.

The limitations imposed on the Company by its charter (1881) and by its deed of protectorate (1888) are of such a nature as to interfere in the smallest degree with matters of internal administration. They are the following :

1. The Company must remain British in character and domicile; and all the members of the court of directors, as well as the Company's chief representative in Borneo, must be British subjects.

Restrictions insuring English control in Borneo

2. The Company is not permitted to transfer any of its rights without the express permission of the British Government.

3. Foreign relations are to be conducted through the British Government or in accordance with its directions.

4. Perfect religious freedom to be allowed to all persons living in the territory.

5. The British Secretary of State for Foreign Affairs has the right to dissent from or object to any part of the proceedings or system of the Company relative to the people of Borneo; and the Company is bound to act upon any suggestion founded on such dissent or objection.

6. No general monopoly of trade may be set up.

7. The appointment of the Governor of British North Borneo is subject to the approval of the British Government.

Within these bounds the rule of the Company is purely autocratic. The Governor is free to introduce such laws as may appear to him suitable for the needs of the country; and in so far as he is given a free hand by the Company he alone is responsible for general success or failure.

Apart from the absolute independence of legislation enjoyed by the Company, there is nothing unusual in the organization of the Government of British North Borneo. The country is divided into districts, and in each there is stationed a district officer who acts as magistrate and tax-collector. The immediate superiors of the district officers are the Residents, of whom there are three, one at Papar, on the west coast, one at Tawao, on the east coast, and one at the port of Kudat in Marudu Bay, in the north of the Island. The work of the Residents and district officers is subject to the review of the Judicial Commissioner and of the Finance

Commissioner, whose offices are in Sandakan on the east coast, and finally to the approval of the Governor.

In traveling about the country I was much impressed by the excellent tact and administrative ability displayed by the Government officers. They spoke the language of the people, showed an interest in their affairs, were at all times accessible to everybody who wished to make a complaint or to ask for advice or assistance, and appeared in every way to command the respect and good will of the natives. In the discharge of their duties the district officers are assisted by the native chiefs, who, on condition of remaining loyal to the Government, retain their titles and are paid fixed allowances. The general effect of my observations was that the people were governed rather by force of personal influence than by the power of legislation, that the judicial relations were based upon wise and tolerant equity more than upon mere precise law, and that a perfectly friendly understanding existed between the Government and the natives.

Unlike the old East India Company, the British North Borneo Company does not conduct any trade on its own account, but confines itself to the administration of the country. The local revenue and expenditure accounts possess, therefore, this interest, that they exhibit the work of the Company in so far as it is a matter of profit or loss to the shareholders.

The paid-up capital of the Company is, roughly,

\$3,500,000 (gold), and there have been issued bonds and debentures to the amount of \$2,000,000 (gold), on which five per cent. per annum interest is payable. The proceeds of the issue of the debentures are to be devoted to the completion of the State Railway on the west coast and to other reproductive works. The general financial situation of the country is at present this, that, over and above the expense of administration, the revenue must meet a charge of \$200,000 (silver) as interest on the debentures before any dividend can be declared on the paid-up capital. As, up to the present time, the Company has never paid a higher dividend than two per cent., it is clear that, unless all profits are to be swallowed up by the payment of interest on the debentures, the revenue will have to show a substantial increase in the near future.

The latest complete figures for revenue and expenditure are those for 1903. The total revenue for that year was \$906,310 (silver), equal to about \$5.20 United States currency per head of the total population. Of the total amount, seventy per cent. was raised from customs duties (\$279,594, silver) and revenue farms (\$365,503, silver). About sixty per cent. of the customs revenue is raised from duties on imports, and forty per cent. from duties on exports. The imports consist of the usual articles — cloth, cutlery, wines, spirits, tobacco, glassware, lamps, kerosene, and so on; the exports which contribute most to the revenue are tobacco, timber, gutta-percha, and india-rubber, edible bird's-nests,

Company has
never paid over
2% dividend

and dyestuffs. The revenue farms consist of the monopolies of the right to sell opium and spirits, to keep gambling-houses and pawnbrokers' shops. These monopolies are sold to the highest bidder, who is always a Chinaman.

The question of the opium and gambling licenses is one which has been hotly debated in England from time to time; but out in the Far East public opinion has always been practically unanimous in favor of such monopolies. If three hundred years of contact with China has taught one lesson more thoroughly than another, it is that no legislation, no measures of repression, however severe (and much has been attempted from time to time in this direction), can turn the Chinaman from opium-smoking and gambling. I have no desire to advocate indulgence in these vices; but as a thousand voices are ever ready to condemn a policy which enables a State to draw a revenue from them, it seems advisable, for the better understanding of the matter, to say a few words on the other side.

As far as I am aware, no one has ever tried to make people believe that gambling and opium-selling are licensed in many Far Eastern countries because it is hoped by that means to eradicate those vices; the reason why they are licensed is because the sale of the monopolies produces a good revenue. But although eradication is impossible, a certain degree of control may be effected by granting to some one person or firm the opium and gambling monopoly. The effect of the monopoly,

*Chinese are
inveterate
gamblers and
opium
smokers.
His regulation
of vices better
than attempted
abolition*

*license system
does away with
practice of vices
in minors and
use of personal
property as
gambling-
stakes.*

*License holders
work to prevent
practice of vices
except under
their control.*

*Chinese police
force can not
suppress vice
under system
of suppression.*

as far as control and regulation are concerned, is this: the holder of the monopoly secures his rights only on payment of a very large sum of money, and retains them only for so long as he strictly adheres to the Government regulations. It thus comes about that, in British North Borneo, for instance, the Government has been able to put an end to two great evils which always exist in the absence of licensing, namely, gambling and opium-smoking by minors, and the use of clothing, tools, and other property for gambling-stakes or for the purchase of opium. No person except an adult male is allowed to purchase opium or to visit a gambling-house, and nothing except current coin can be staked or used for the purchase of opium. It may be suggested that if regulation to this extent can be secured under the system of licensing, it could be secured otherwise. But there is this vital difference between the license and the no-license system, that in the former case the opium and gambling farmer will, in the interest of his own monopoly, use every means in his power to prevent opium-smoking and gambling except in his own saloons, and to enforce the Government regulations under which his monopoly is granted; whereas in the latter case all attempts to suppress or regulate must be made through the agency of a paid Chinese police force, an agency which has been proved, after repeated experiment, to be utterly unreliable. Considerations of space prevent further remarks upon this subject at present; but I may

add that in Hong Kong and in the Straits Settlements, where gambling is not only not allowed, but is a matter for severe punishment, the vice is more prevalent and is accompanied with worse results than in almost any other places under European government in the Far East.

The expenditure returns call for little comment. The expenditure falls under two main heads, that on Revenue Account and that on Capital Account. The latter represents the cost of Railway and Telegraph Construction, Public Works and Buildings, Government Vessels, Guns, Arms, Instruments, etc.

The financial position of the country is shown by comparing the revenue with the expenditure on Revenue Account, and such comparison shows that until within recent years there was an annual deficit, and that this has changed to a small annual surplus which has permitted the declaration of a dividend of two per cent. on the paid-up capital.

The past policy of the Company appears to me to have been marred by two great defects; and it may be suggested that each of these has arisen from a hope or expectation, never perhaps openly expressed, but ever present in the minds of at least a considerable proportion of the directors and shareholders, that the country would be taken over by the British Government. The first of these defects is the attempt to secure interest on the paid-up capital of the Company by means of raising a surplus revenue from taxation, and without embarking upon commercial enterprises in the

Defects in Company policy.
Financial system.

country, which might be expected to return a legitimate trade profit. It might be said that the plan of the Company was to pay for the cost of the administration of the country out of taxes levied chiefly upon industrial enterprises, and that it was hoped that the expansion of trade would in a few years afford a surplus revenue which could be devoted to the payment of dividends to the shareholders — if the dividends were large, it would pay to keep the country ; if they were small, the country could at least be offered to the British Government as a self-supporting concern. It became evident as time passed that the ordinary sources of revenue would not suffice to provide any considerable dividend for the shareholders, and that, if the country was even to be made self-supporting, additional taxes would have to be imposed. Taxation was accordingly increased, and during the past year or two a small dividend has been declared. The result, however, has been achieved only at an enormous sacrifice of the permanent interests of the country. To take one instance, I may mention the import duty on rice. It is not a heavy duty ; it can scarcely be expected to yield more than two or three thousand pounds a year ; and yet it is a tax so evil in its operation that it has had the effect of driving hundreds of people from the country, and of materially increasing the bad repute of British North Borneo amongst the Chinese. The view taken by the Chinaman in regard to the tax is that, rice being the staple food of himself, his

wife, his children, his dog, and his cat, to tax it is to make every member of his household, from the master down to the master's pet monkey, contribute to the public revenue. To impose a tax like this in face of the opposition of the entire Chinese community, in a country whose future depends entirely on the ability of the Government to secure and retain a large Chinese population, indicates a blindness to the real interests of the country which is difficult to account for in a directorate which contains gentlemen who are supposed to be familiar with the local conditions of the Company's territory.¹

The tax has been defended along two lines, one general and one specific. It is clear that, if the Company is to dispose of its territory to the British Government, the amount to be paid for it would be greatly increased if it could be handed over as a paying concern; and the directors may defend their financial policy by saying that, as their first duty is to the shareholders, any step calculated to improve their position is justifiable on that ground alone, the accepted view being that an immediate sale of the territory to the British Government at a good price would be better for the shareholders than a long struggle, of doubtful issue, to make the country a direct source of profit. The specific plea in favor of the rice-tax has a certain appearance of excellence. It is ridiculous, say the rice-

¹ The rice-tax has been abolished since the above was written.

taxers, that a country so well suited to the cultivation of rice should import rice. The country should grow its own rice, and the only way to bring this about is to tax the imported article. But this argument cannot be offered in sincerity. If it was really the aim of the Government that the country should grow its own rice (a matter really of little importance, or at any rate of little urgency, in view of the proximity of Borneo to great rice-growing countries), the end could have been achieved by paying a small bounty on rice culture, a policy which would have encouraged the immigration of Chinese, stopped the Chinese exodus, and provided for its own cost by automatically increasing the value of the opium and gambling monopoly, the annual rent of which depends entirely on the number of Chinamen in the country. I may dismiss the matter by saying that no official in North Borneo with whom I spoke on the subject approved of the rice-tax, and that repeated representations have been made to the Directors with a view to securing its repeal. The matter is important, however, as an indication of the policy of the Company.

The Company appears to me to have signally failed in its attempts to formulate a sound financial policy, and thus far it seems to have been scarcely more successful in its plans for the development of the country.

During the first few years of the Company's rule a certain amount of exploration was done by Witt, Hatton, and Pryer, with the result that a rough idea

was obtained of the possibilities of the country in the direction of mining and agriculture; but the work was never carried out as it should have been, and it was only in 1902 that mineral prospecting was undertaken on a large scale. The early investigations, however, served to establish two points beyond all doubt — namely, that the two great needs of the country were population and means of communication; and it must always have been clear to those on the spot that without these things success of any kind was impossible. Steps were taken to establish a steady flow of Chinese immigration from Hong Kong and the China coast ports, and during the eighties some thousands of Chinamen entered the country. The Government appears, unfortunately, to have taken no care that the Chinese coolies should be well treated by their employers, and tales of ill treatment were carried back to China, the effects of which are still apparent in the general disinclination of the Chinese to emigrate to British North Borneo. Further, the tide of immigration having set in, the Government took no steps to provide work for the immigrants. It could not be expected that private enterprise would be able at once to absorb the supply of laborers; but the Government, instead of taking advantage of the glut in the labor market to push ahead with Public Works, allowed hundreds of the coolies to remain idle in the ports, until in desperation they returned to Hong Kong or China, thoroughly out of patience with the country. The effect of this was disastrous.

Not only were the most necessary Public Works neglected at a time when the supply of labor would have made them easy of accomplishment, but the country got a bad name amongst the very class of people whose good opinion it was most necessary to secure. Having once obtained a steady supply of Chinese, the Government should have kept them occupied until the growth of agricultural or other industries allowed them to be drafted off to private employers. But this was not done, and by the nineties the Government found itself short of labor for the construction of roads and other much-needed works, and prospective settlers were turned from their purpose because of the evident lack of a labor supply. The mismanagement of the immigration question is the more difficult to understand from the fact that the Government must have known that an influx of Chinese would always pay for itself by increasing the rent of the opium and gambling monopoly (about one third of the total revenue of British North Borneo is derived from this source), and that the revenue could suffer no greater disaster than that which would follow an exodus of Chinese, or even a falling off of Chinese immigration.

Turning now to the other great question, internal communications, the policy of the Company is only to be explained on the theory that the Directors wished to make British North Borneo attractive to the British Government in its capacity as a possible purchaser. The history of colonization has many lessons to offer to the student, and none

more emphatic than this, that for an undeveloped country, and especially for a country of dense forests, the first great need is good roads; the second, the utilization and improvement of existing river communications. After twenty years of the Company's rule British North Borneo cannot boast twenty miles of good roads, and, with the exception of a rare visit from a steam launch, river communication is what it was under the Sultans. The Company has, however, spent about £200,000 on the construction of a railway on the west coast, and about £50,000 on a telegraph line connecting Sandakan with the cable station of the Eastern Extension Company at Labuan. In regard to the telegraph line, it must be looked on, as far as the interests of the country itself are concerned, as a luxury pure and simple, which might well have been left until some of the pressing needs had been met; but "telegraphic connection with London" sounds well, and might be expected to appeal to the sensibilities of the British Government.

The railway is another matter, and its construction raises two important questions—the wisdom of spending such a large sum of money on coast communication, which was already secured by sea, when access to the interior was still unprovided for; and the manner in which the work has been carried out. On the question of policy there must, of course, be differences of opinion. The general view in British North Borneo and amongst business men in Singapore and Hong Kong—a view

with which I find myself in complete accord — is that the money spent on the railway could have been infinitely better employed, having regard to the real interests of the country, in making good roads into the interior from the chief towns, in purchasing launches for river service and coast communications, in the encouragement of immigration, and in the establishment of new industries, objects on which money has indeed been spent, but in entirely inadequate amount. The oft-quoted instance of the railways in the Federated Malay States is not applicable to British North Borneo ; for in the Peninsula roads came first, then population, then trade, and then the need of railways. And the railway policy was not adopted until the working of minerals had yielded such an enormous revenue that the railways could be constructed, not only without the aid of borrowed money, but actually from current Treasury surpluses.

But, if there are two opinions about the policy of constructing the West Coast Railway, there is but one opinion throughout Borneo in regard to the manner in which that policy has been carried out. I did not go over the whole line, for, although the section from Jesselton to Beaufort was taken over from the contractors as a working line in the middle of 1902, parts of it had already been washed away or otherwise rendered useless before the end of the year ; but of the twenty or thirty miles over which I did travel, I can safely say, with some experience of out-of-the-way railways in the tropics,

that a more outrageous piece of work never passed under my notice. Engineers may find the proper technical terms for what I saw, but it was, in fact, this, — that the line was full of unnecessary curves ; that where rock was available in abundance for ballasting, earth and jungle rubbish had been used ; that where everything pointed to the need of culverts, unbroken earthen embankments were waiting for certain destruction by the floods of the northeast monsoon ; that every third sleeper, instead of holding up the track, hung loosely suspended from the rails ; that heavy timbers across rivers had been so carelessly laid that it had become necessary to hammer in chips of wood beneath them in order to secure the support of the piers. Yet I am told that the line was built by a great firm of English contractors, aided by the advice of a distinguished and highly-fee consulting engineer, that the work had to be done to the satisfaction of the Company's engineer in Borneo, and that it was, in fact, actually passed by him. It is difficult to understand how a railway which bends out of shape when the sun shines and slides down hill when it rains ever came to be taken over as a completed railway. Expert independent opinion has been obtained on the railway, and the verdict is that it will cost at least £10,000 even to put the line in such order that a train may be safely run from one end to the other, and that to make it in any sense a real working line an expenditure of £100,000 will be necessary. If, as many people believe, the railway was useless and

unnecessary in the present general condition of Borneo, and was intended merely for what the Chinese call "look-see," it should at least have been well enough built to deceive a non-expert observer.

One cannot help feeling that thus far the management of British North Borneo has been a failure, and that this has been due, not to defects of local administration, but to an utterly mistaken policy on the part of the Directors, a policy which has been wrong, whether the motive behind it has been the genuine development of the country or merely its decking forth as an attractive object for sale.

A word, in conclusion, about the future of the country. As I have said before, the land itself is magnificent. For tobacco, india-rubber, gutta-percha, and timber the soil is unsurpassed, and there may be valuable mineral deposits similar to those of neighboring Sarawak. If the Company will seriously face the situation, there is no possible doubt that for British North Borneo there is a brilliant future, and for the shareholders a splendid reward on their investment. In its Civil Service the Company is singularly fortunate. It was a great surprise to me to find that, with the very small salaries paid to its servants, the Company had been able to secure a class of men of such excellent quality as are the majority of the local officials — capable, hard-working men, young, eager, and thoroughly interested in their duties. But this is not enough where

the general policy is bad ; and certain things are absolutely necessary if failure is to be turned into success. The idea that the British Government would ever take over the country at a price satisfactory to the shareholders, unless real financial independence had been achieved, should be definitely abandoned, and attention should be turned to the single object of advancing the development of the country. The hope of dividends should be set aside for some years at least ; the revenue should be cut down to the lowest figure which would suffice for the expense of administration and the payment of interest on loans ; the capital of the Company should be increased and a large sum devoted to the construction of roads, the purchase of small steamers, the encouragement of immigration, and the fostering of new industries ; grants of land should no longer be made without adequate guarantee that cultivation is to follow within reasonable time, but with such guarantees grants should be made generously.

Finally, the Directors should be content to leave the method of development entirely in the hands of the Governor. They have got a man exactly suited to the task, a man who has seen the making of the Federated Malay States at close range as one of the makers, and whose training has been fortified by constant association with Sir Frank Swettenham, the ablest administrator who has been in the British Far East since the days of Sir Stamford Raffles. Five years of work on lines such

as Mr. Birch¹ would lay down, five years unhampered by the cry for dividends, should serve to place British North Borneo amongst the most successful of British settlements in the tropics; but the result can only be achieved by a constant unity of purpose and a complete and unwavering confidence in the man to whom the task is intrusted.

¹ See note on page 38.

CHAPTER IV

SARAWAK

I HAD occasion some years ago to write for the "Atlantic Monthly"¹ an article on "European Experience with Tropical Colonies." At its conclusion are to be found the following lines from Froude, quoted in support of the argument in favor of personal rule in the tropics: "Find a Raja Brooke [of Sarawak] if you can. . . . Send him out with no more instructions than the Knight of La Mancha gave Sancho — to fear God and do his duty. . . . The leading of the wise few, the willing obedience of the many, is the beginning and end of all right action. Secure this and you secure everything. Fail to secure it, and, be your liberties as wide as you can make them, no success is possible." For the past two months² I have been in Sarawak, traveling up and down the coast and into the interior, and working in Kuching, the capital. At the end of it I find myself unable to express the high opinion I have formed of the administration of the country without a fear that I shall lay myself open to the charge of exaggeration. With such knowledge of administrative

¹ *Atlantic Monthly*, December, 1898.

² This was written in January, 1903.

systems in the tropics as may be gained by actual observation in almost every part of the British Empire except the African Colonies, I can say that in no country which I have ever visited are there to be observed so many signs of a wise and generous rule, such abundant indications of good government, as are to be seen on every hand in Sarawak.

The present Raja, or King, of Sarawak, is an Englishman, Sir Charles Johnson Brooke, G.C.M.G., head of an old county family, and a descendant, through the female line, of the Stuarts. The story of how he has come to occupy the position of absolute monarch over a territory as large as England, situated in the out-of-the-way island of Borneo, and peopled by Dyaks, Malays, and Chinese, reads like the wildest fiction rather than sober historical fact.

In the years following the restoration of Java to the Dutch the Malay Archipelago fell into a most disturbed condition. Dutch authority was severely shaken; England was unwilling to assume any further responsibilities in the Far East; and the historical Dutch policy of fomenting the internal dissensions of the native governments, in order to weaken the general opposition to white rule, bore abundant fruit. Into this part of the world came, in the thirties, James Brooke, a young military officer of the East India Company, who had retired from the service after distinguishing himself in the Burmese War of 1824, and who had been rendered independent by inheriting a large fortune from his

father in 1835. Inspired by a strong spirit of adventure, Brooke determined, after carefully studying the general condition of the Malay Archipelago, to devote his energies to the amelioration of the life of the native Borneans. His original intention was to secure his footing by means of trade, and then to work on the minds of the native rulers. The ambition of wealth he never had for a moment; and, indeed, he subsequently spent the whole of his large private fortune on his reform schemes in Sarawak.

Writing of the objects he had at heart Brooke said: "It is a grand experiment, which, if it succeeds, will bestow a blessing on these poor people; and their children's children shall bless me. If it please God to permit me to give a stamp to this country which shall last after I am no more, I shall have lived a life which emperors might envy. If by dedicating myself to the task I am able to introduce better customs and settled laws, and to raise the feeling of the people so that their rights can never in future be wantonly infringed, I shall indeed be content and happy." But on his arrival in Borneo he found a condition of affairs which, while rendering his original plan of action impossible, led to the solution of the difficulties along another line, and to the fulfillment of his hopes.

At the time of Brooke's arrival in Borneo the territory of Sarawak was under the rule of Omar Ali, the Malay Sultan of Brunei, but its affairs were actually administered by the Sultan's uncle,

Raja Muda Hassim.¹ On reaching Sarawak it was learned that a formidable rebellion had been in progress for more than three years, and that there was little prospect of peace. So evil was the condition of the country that Hassim entreated Brooke to remain in the country and take over the Government, offering him as a reward all the trade of the place. This proposal was declined, but Brooke offered to give what aid he could to bring the civil war to an end; and, putting himself at the head of a small force of Europeans, he actually succeeded, after a few months' fighting, in restoring peace. His first task, on the conclusion of hostilities, was to prevent a wholesale massacre of the surrendered rebels, and in this he was successful.

The reward conferred on Brooke for his part in suppressing the rebellion was a mere permission to trade with the people. Although this was a very small matter, it was accepted without complaint; and there matters might have rested had it not been for an incident which brought about a crisis in the affairs of Sarawak. The Governor of Sarawak under the Raja Muda Hassim was a Malay chief named Makota; and the recent rebellion had been largely brought about by his misgovernment. After the conclusion of peace Brooke took every legitimate means of increasing his influence with the Raja Muda, in pursuance of his original intention of securing improvement in the Government. But when it became evident to Makota that Brooke

¹ Raja Muda is the Malay equivalent for Heir Apparent.

was supplanting him in the counsels of the State he commenced a series of underhand attacks on Brooke's influence, and these failing, he finally attempted to poison the whole English community. Through the indiscretion of a subordinate the plot was discovered; and Brooke immediately brought matters to a head by laying the facts before the Raja Muda and demanding that justice should be done. The affair ended in the degradation of Makota and the appointment of Brooke as Governor of Sarawak in his place. This was the beginning of the Brooke rule in Sarawak. The grant of the Governorship was approved by the Sultan, and, after some years, arrangements were made under which the Sultan conferred the Government of Sarawak in perpetuity on Sir James Brooke (he was created a K.C.B. by the late Queen in 1848), and in 1863 the independence of the country was formally recognized by the British Government.

Five years later the first Raja Brooke died. His biographer, Sir Spencer St. John, tells us that towards the end of his life the Raja wrote: "In spite of trials and anxieties, calumny and misrepresentation, I have been a happy man, and can pillow my head in the consciousness of a well-spent life of sacrifice and devotion to a good cause."

Such are the bald facts about the origin of the Brooke rule in Sarawak. But if we read between the lines we see that these facts form the record of one of the most romantic and remarkable episodes to be found in the whole annals of the white

man's work in the tropics. A young Englishman goes out to the Malay Archipelago, and visits a country which ninety-nine men out of a hundred would have avoided, on account of its disturbed condition. He interferes in what may be regarded as a domestic brawl, and, contrary to the universal experience of mankind, both parties to the dispute are satisfied in a few months to see handed over to him as a gift the very country which each, at the time of his entrance upon the scene, was striving to secure for itself. The origin of the Brooke rule in Sarawak is, however, the least remarkable element in the story. That which arrests the attention of the student and sustains his interest in the affairs of the little kingdom is the unbelievable success which has attended the policy of the first Raja Brooke and of his successor, the present Raja. The difficulties to be overcome at the outset, before any kind of permanent order could be brought out of the prevailing chaos, were apparently insurmountable, and might well have discouraged the stanchest and most persevering of men. For generations the Dyak and the Malay had been enemies. To the Mohammedan Malay the Dyak appeared merely as a barbarous infidel, whose country was the just spoil of the faithful. His religion, since it was not Mohammedanism, was false; his political organization was beneath contempt; his language simply a crude *patois*, with no written expression; his social customs were abominable; it was clearly, from the Malay standpoint, a race to be used as long as it

would submit, to be exterminated as soon as it resisted.

The Dyaks, on the other hand, regarded the Malays as their tyrants and oppressors, the people who had come over the sea to rob them of their country, to destroy their customs, to grind their faces with exorbitant taxes, which they often had the power to collect, whatever may have been their right to impose them. On either side there was a long record of murder and outrage. Until these opposing factions were reconciled and brought into a common and voluntary submission to the Government, nothing could be done to advance the prosperity of the country or to lay the foundations of a permanent system of administration. By what exercise of tact, firmness, and wisdom this delicate task was accomplished by the first Raja Brooke may be gathered from the fact that within a few years of his accession to the throne the Malays and Dyaks were living peaceably side by side all over the country, and that from that day to this there has never been anything in the nature of a serious rupture between the two races.

For an ordinary man, placed in the position in which Raja Brooke found himself after the pacification of Sarawak, there would have existed a powerful temptation to stop short at providing the country with a moderately good Government, whilst deriving from its administration a fair return on the investment of his time and talents. The temptation to embark on such a policy would have

been the greater from the obvious facility with which it could have been carried out. The Government which had been displaced was so utterly bad that any change whatever must have appealed to the people as an improvement; and, by introducing a wise system of taxation, the revenue of the country could have been doubled, whilst creating, by the removal of harsh and objectionable methods of collection, a popular impression that it had been halved. To Raja Brooke these considerations, so far as we can judge by his actions, never presented themselves. From the very commencement he devoted himself completely to the task of providing Sarawak with the best possible Government that could be devised, and to equalizing the incidence of taxation. So far was he carried by his sense of responsibility to the people thus strangely fallen under his rule, that he sacrificed his entire private fortune in paying the expenses of administration and in setting the country on the fair road to prosperity.

James Brooke,
Raja 1842-68

The first Raja Brooke reigned for twenty-six years (1842-1868), and was succeeded by his nephew, Sir Charles Johnson Brooke, G.C.M.G., who still occupies the throne.

It became clear as soon as the new King took over the reins of Government that he intended to adopt as his model the liberal and enlightened policy of the late Raja. As early as 1870 the present Raja published in the "Sarawak Gazette" his views as to the method of government best suited to the

needs of his people. This early pronouncement of policy was drawn forth by a rumor which had reached the Raja's ear that certain persons regarded with disfavor his intention of presiding as Chief Justice at the sittings of the Supreme Court. It is true that in the condition of civilization with which we are familiar the idea of a King or President fulfilling judicial functions is repugnant to the public sense of the true attributes of a judiciary. But the conditions in Borneo are absolutely different; and the Oriental mind is quite familiar with the idea of the highest judicial and executive functions being combined in one person, is familiar in fact with no other system. The Raja expressed himself as follows on the point — and it may well be noted that the liberal view he advances as to the relation between the superior and the inferior races is one which we have persuaded ourselves, through a perverted application of history, to be the monopoly of those peoples who live under republican institutions. "Our chief success," he says, "has been owing to the good feeling existing between ruler and people, brought about by there being no impediments between them; and the non-success of European Governments generally in dealing with Asiatics is caused by the want of sympathy and knowledge between the ruler and the ruled, the reason being the distance and unapproachableness of the leader. If I am to exclude myself from court I must necessarily withdraw myself from hearing the complaints, either serious or petty, of my

people, who would then be justified in drawing an unsatisfactory and unhappy comparison between myself and my uncle, who was *de facto* the slave of his people, and left the country under my charge expecting me to carry out his policy."

The organization of the Government of Sarawak is simple in the extreme. At the head of everything is the Raja, a monarch more completely autocratic than any other in the world, since for him the two great restraining forces of absolute monarchy—the existence of turbulent anti-dynastic factions and the very strong influence which is always exerted by a powerful hereditary nobility—do not exist. The Government, then, is purely despotic in form. But it is a despotism which has shown itself, up to the present time, to be of the most benevolent kind, inspired by motives of the most sincere unselfishness, and guided ever by an earnest desire to advance the true interests of the people, even when the pursuance of such aims has involved, as has very frequently been the case, great sacrifices on the part of the ruler.

I cannot better exhibit the general character of the policy which guides the administration of Sarawak than by quoting a short passage from the "Sarawak Gazette" of September 2, 1871. The policy therein laid down by the present Raja has been faithfully followed for thirty years, and the results have more than justified it.

The common mistake Europeans make in the East is to exalt Western civilization almost to the exclusion of

Sarawak the
purest
despotism in
the world.

the native system, instead of using them as mutually corrective.

There are two ways in which a Government can act. The first is to start from things as it finds them, putting its veto on what is dangerous or unjust, and supporting what is fair and equitable in the usages of the natives, and letting system and legislation wait upon occasion. When new wants are felt it examines and provides for them by measures rather made on the spot than imported from abroad; and to insure that these shall not be contrary to native customs, the consent of the people is gained for them before they are put in force.

Progress in this way is usually slow, and the system is not altogether popular from our point of view; but it is both quiet and steady; confidence is increased; and no vision of a foreign yoke to be laid heavily on their shoulders, when the opportunity offers, is present to the native mind.

The other plan is to make here and there a clean sweep and to introduce something that Europeans like better in the gap. A criminal code of the latest type, polished and revised by the wise men at home, or a system of taxation and police introduced bodily from the West is imposed, with a full assurance of its intrinsic excellence, but with too little thought of how far it is likely to suit the circumstances it has to meet.

The form of administration has grown up with the country, and is such as the experience of half a century has shown to be suited to the local conditions. There are two State Councils — the General Council and the Supreme Council. The former consists of the Raja, and of the following Government servants, native and European, who are all

*State Council
General Council
Advisory to Raja*

members *ex officio*: the Divisional Residents, the Residents of the Second Class, the Commandant of the Forces, the Treasurer, the Principal Medical Officer, the Datus,¹ and all native chiefs holding office under the Government. This body meets once in three years, unless especially summoned for specific reasons. Its functions are of a purely advisory or consultative nature, and the Council was, in fact, instituted for the purpose of keeping the Raja informed of the general condition of public opinion in the country districts and out-stations, and of advising him in regard to any important changes which it might be proposed to make in the general policy of administration. On the occasions of these triennial meetings the Raja makes what is practically a Speech from the Throne, in which the condition of the country is reviewed; and the leading members of the Council also speak.

The General Council serves its purpose admirably, since it keeps all the members of the Administration in touch with the Raja and with one another; and it contributes greatly to that state of good feeling between natives and Europeans which is the fundamental characteristic of the Sarawak State. It is, however, the Supreme Council which really administers the affairs of the country. This

¹ There are four Datus — the Datu Bandar, or Senior Chief; the Datu Muda, or Junior Chief; the Datu Hakim, or Chief Mohammedan Magistrate, and the Datu Emaum, who is the head for the time being of the Mohammedan religion in Sarawak.

Council consists of the Raja, the Resident of the First Division, and the four Datus. It is provided that the European members must never outnumber the native members. The General Council meets once a month, and all proposed laws are laid before it, as well as such administrative matters as are not purely of a routine nature. In order to endow this brief description of a unique legislature with some degree of reality, I print here the official report of a meeting of the Sarawak Supreme Council, which was held just before my arrival in the country :

*1. Supreme Council
Passes on proposed legislation*

SUPREME COUNCIL.

Present,

His Highness the Raja, G.C.M.G.

The Resident of the First Division (the Honorable C. A. Bampfylde).

The Datu Bandar (Haji Bua Hassan).

The Datu Muda (Abang Mohamad Kassim).

The Datu Hakim (Haji Mohamad Ali).

The Datu Emaum (Haji Amin).

A meeting of the Council was convened this day. His Highness the Raja informed the Members he had what he considered an important matter to lay before them in reference to the future supply of timber for building purposes. At present large quantities of different kinds of woods were being felled immediately in the vicinity of the principal town for export; and a trade had sprung up which threatened to despoil the forests of all the best and most useful woods necessary to the inhabitants of a growing town. At this end of the State, where so much wood is now being worked for export, the country is comparatively narrow, being only a few miles in depth to the

boundary with Netherlands territory; and in this narrow strip of land large quantities of valuable timber have also been destroyed by generations of Dyak farming. What there is left should be preserved as far as possible for local use, for were these woods, even the commonest of them, once worked out, the inhabitants of this town and the neighborhood would be put to the greatest inconvenience.

His Highness now proposed that all woods in the forests lying between Tanjong Datu and the right bank of the Sadong River shall be preserved for the use of the inhabitants, and that after six months from the present date the exportation of timber from any part within the above mentioned limits shall be prohibited.

This was carried unanimously.

No other matters were brought forward.

F. H. DALLAS,
Acting Clerk of Supreme Council.

Sarawak
administration
under English
residents

For administrative purposes Sarawak is split up into divisions under the charge of Residents. These officers are assisted by one or more Englishmen and by a small staff of natives. The duties of the Resident are manifold. He must see to the collection of the revenue, to the administration of justice, to public works, and so on; and, above all, he must be at all times accessible to the people. The Dyaks have the strongest objection to doing the smallest thing without first indulging in long and tedious palavers. The discussion about the business itself may occupy, perhaps, ten minutes; but it must be preceded by an almost interminable interchange of polite nothings. These interviews, however, are a most important element in the administrative system,

for it is no exaggeration to say that the average Dyak had rather submit, after due palaver had and obtained, to some important measure of which he himself disapproved, than acquiesce in the most trivial matter of obvious utility without being afforded a chance of talking with the Government officer for hours about the monsoon, or the best shape for a boat's prow, or the proper color to be worn if a certain relative (presently in robust health) should chance to die.

The chief characteristic of the administrative methods of Sarawak is the emphasis laid by the Raja on the necessity of maintaining the closest personal relations between the rulers and the ruled, and the subordination to this end of mere clerical work.

Thus it happens that although the student finds in Sarawak a very small amount of official literature, yet he observes that each official is intimately conversant with all the affairs of his district, can tell you the history of almost every family, knows everybody by sight and nearly everybody by name, and is prepared at a moment's notice to talk to one about the approaching marriage of a daughter, to another about the prospect of a successful gutta expedition into the interior.

All officials in Sarawak are chosen personally by the Raja on the occasions of his visits to England; and it is curious to note that, with two exceptions (a Scotchman and a Frenchman), every man in the service is an Englishman. There is a further fact

worthy of record that, whether it be to the advantage of the country or not, the population of Sarawak does not include a Jew or a lawyer.

That Sarawak has prospered greatly under its present ruler is shown by the following figures:

	1870.	1903.
Value of foreign imports	\$1,328,963	\$5,959,720
Value of foreign exports	1,494,241	7,512,440

A certain proportion of the increase disclosed in the above figures is apparent rather than real, and is due to the fall in the value of the silver dollar ; but even allowing for that, the foreign trade of Sarawak has more than trebled during the past thirty years.

The principal articles of export in 1903 were : Gold, \$1,784,600 ; pepper, \$2,733,301 ; gutta and india-rubber, \$761,000 ; and sago-flour, \$766,463 ; which together represented three quarters of the total value of exports.

In the import trade rice is by far the most important item, being represented in 1903 by a value of \$1,041,065, or nearly one fifth of the total value of imports. Other items were, cloth of various kinds, \$746,104 ; tobacco, \$256,000 ; opium, \$284,000 ; kerosene oil, \$172,725 ; and sugar, \$134,643.

The future prosperity of Sarawak appears to be well assured. Valuable gold deposits exist, and these are being worked by the Borneo Company, Limited, which, if it has wasted twenty years in finding out the value of its properties in Sarawak,

is now making up for lost time by introducing the most modern mining machinery and by employing a competent staff of scientific men to carry out its plans. As far as agriculture is concerned the pepper and sago of Sarawak command the highest price in the open market ; and the demand for these commodities is constantly increasing. It is important to realize, in this connection, that nearly all the labor of the country is performed by Chinese immigrants, the native Dyak and Malay population being quite useless for industrial purposes, from strong disinclination to steady work of any kind. Pepper & sago
chief

The impression of the country which I carry away with me is that of a land full of contentment and prosperity, a land in which neither the native nor the white man has pushed his views of life to their logical conclusion, but where each has been willing to yield to the other something of his extreme conviction. There has been here a tacit understanding on both sides that those qualities which alone can insure the *permanence* of good government in the State are to be found in the white man and not in the native ; and the final control remains, therefore, in European hands, although every opportunity is taken of consulting the natives and of benefiting by their intimate knowledge of the country and of the people.

Nothing could better serve to exhibit at once the strength and the weakness of a despotic form of government than the present condition of Sarawak, for if it be true that the wisdom, tolerance, and

sympathy of the present Raja have moulded the country to the extraordinary state of tranquil prosperity which it now enjoys, the power of an unwise or wicked ruler to throw the country back into a condition of barbarism must be admitted as a necessary corollary. The advent of such a ruler is, however, in the highest degree improbable. The succession is guaranteed by the British Government; and the Raja Muda, Charles Vyner Brooke, has been educated with the fact of his eventual inheritance of the throne constantly in view. The future rulers of Sarawak will no doubt be as carefully trained; and if the wise custom which has hitherto prevailed, of assigning to the Heir Apparent responsible administrative duties in the country districts, is continued, there is no reason to doubt that the Brooke rule in Sarawak will confer in the future as it has done in the past the greatest benefits upon the country and its inhabitants.

CHAPTER V

BURMA

THERE is no portion of the British Empire, East or West, which possesses greater attractions for the lover of romance than the Indian Province of Burma. The country which inspired Mr. Kipling's "Mandalay" and Mr. Fielding's "Soul of a People" needs no word of mine to emphasize a fascination which, unlike the appeal of other lands, increases with familiarity and grows deeper day by day as the borrowed impression of the printed page gives way to the delighted observation of the traveler.

The Burmese administrative system as it exists to-day is the product of a constant adjustment of the machinery of Government to the peculiar needs of a country whose geographical situation has created an embarrassing confusion of diverse conditions and conflicting interests. Although the area of Burma is only 239,000 square miles, it has a length, almost due north and south, of twelve hundred miles. The southern portion of the country lies on the seaboard of the Bay of Bengal, in only ten degrees of north latitude; and the northern portion is far inland, above the Tropic of Cancer. The climate is further affected by the

Burma has
great
diversity of
climate

great variation in the surface conditions of the land. A few figures will serve to show the remarkable climatic conditions of the country. The corrected returns for 1900 show that, in a territory smaller than the State of Texas, one town, Tavoy, registered a rainfall of two hundred and thirty-five inches, and another, Mandalay, only twenty-five inches, the figures being normal in each instance. The temperature returns are scarcely less interesting. In December, 1900, Kyaukse in Upper Burma experienced a heat of ninety-seven degrees Fahrenheit, while at Bhamo, only two hundred miles to the north, a temperature of forty-nine degrees was recorded. In Bhamo itself the temperature during December, 1900, ranged between eighty-two degrees and forty-nine degrees Fahrenheit.

Complexity of
population

The population has responded to the great diversity of environment, and to the manifold variety of manners and customs attributable to this cause the geographical situation of the country has contributed an amazing complexity of racial types. Burma has land frontiers with Bengal, Manipur, Assam, Yunnan, the Chinese Shan States, French Indo-China, the Siamese Tai States, and Siam proper; and the interior of the country is cut up by a network of mountain ranges into innumerable isolated districts. These conditions have produced an abnormal multiplication of tribes, sub-tribes, and clans, so that more than one third of the population of the administrative area of Burma is non-Burmese.

The distribution of indigenous races in Burma at the Census of 1901 was as follows :

Burmese	6,508,682	Tailings	321,898
Shans	787,087	Chins	179,192
Karens	717,859	Taungthus	168,301
Arakanese	405,143	Kachins	64,405

The returns show fifteen other indigenous races.

Some idea of the difficulties involved in administering the affairs of Burma may be formed from the fact that the Kachins, the least numerous of the non-Burmese indigenous races, are divided into five tribes and sixty-two sub-tribes, each with its own manners and customs, and each depending on the Government to watch its peculiar interests.

The absorption of Burma by the British Indian Empire occupied sixty years. It commenced with the war of 1824, which was brought about by frontier troubles between Bengal and the Burmese district of Arakan. The next step was the war of 1852, which arose out of the refusal of the Burmese King to make reparation for repeated outrages on British subjects. By these two wars the territory now known as Lower Burma passed under British rule.

After a peace of thirty years' duration, England and Burma found themselves at war again in 1885. The immediate cause of this war was a quarrel between the King of Burma and the Bombay-Burma Trading Company in regard to a heavy fine imposed on the corporation for alleged frauds in

War of 1885

timber-exporting — a charge the truth of which the Company has always denied. The Indian Government sided with the Company, being satisfied that the fine was, in fact, nothing but an attempt to levy blackmail. Arbitration was suggested from Calcutta and rejected at Mandalay, and finally war broke out. But the real causes lay beneath the surface. Through the gross cruelty and misgovernment of King Thibaw the central authority had lost control of the remoter provinces, and a chronic condition of disorder on the frontier of British India threatened the peace of that country. Repeated attempts were made to open friendly diplomatic relations with the Burmese Court, but these overtures were met in a hostile spirit; and at last, when the Indian Government discovered that King Thibaw was conducting secret intrigues with the French, the treatment of the Bombay-Burma Trading Company was used as a convenient occasion for bringing matters to a head. The war commenced in November, 1885, and lasted less than a month; and on January 1, 1886, Upper Burma was added to the British Indian Empire. King Thibaw and his two Queens, Supayagyi and her sister Supayalat, were exiled to Ratnagiri Fort in the Bombay Presidency, and an end was made of a rule which had been little but one long record of treachery and bloodshed. It is not without a sigh of regret that the student of Burmese history closes the book with the conviction strong upon him that of all the cruel and bloodthirsty intriguers who combined to

produce the downfall of the Kingdom of Ava, the most wicked, the most relentless, the most cruel, was the fair Supayalat.

The task which confronted the new Administration was one of extraordinary difficulty, and the story of how all obstacles were overcome and the country brought to a state of tranquil prosperity possesses an added interest from the fact that the conditions to be met bore a striking resemblance to those which the United States was called upon to face in the Philippines after the fall of Manila. Seven years of Thibaw's rule had plunged the country into a state of inconceivable disorder. The Government officials had lost the respect and confidence of the people; the country was overrun by armed bands of dacoits; agriculture was at a standstill; native industries were fast disappearing before a growing sense of insecurity of life and property; a dozen chiefs in various parts of the country were striving to set up independent governments; and the King, who had not once quitted the palace grounds in the seven years of his reign, had neither the desire nor the power to restore order.

Such was the condition of affairs when the British took over the country. A definite policy of pacification was immediately inaugurated, the central idea of which was to secure absolute control of the more readily accessible parts of the country, to occupy a central zone in which civil administration could be securely established and recuperative measures commenced under the most

favorable conditions, and, with this zone as a nucleus, to work outwards as occasion offered. Instead of dispatching numerous disconnected columns out into the hills in search of armed bands, the military force was, for the time being, concentrated around the administrative centre; and later, when the established security of the pacified zone justified an extension of military operations, the principle was adopted that no place should be occupied unless it could be permanently held and provided with open communications with the main territory. The tactical basis of this policy was that no attempt should be made to enforce submission to the new Government in any district until the authorities were prepared to afford the natives perfect security against reprisals on the part of the irreconcilables.

Instead of immediately providing Burma with a Lieutenant-Governor, a Legislative Council, and the administrative machinery which the size of the country and its commercial importance would have justified on grounds of equity, the Indian Government very wisely left the pacification of the country and the earlier stages of its development to a Chief Commissioner and a competent staff of subordinates. The effect of this was to endow the local Government with a quality of flexibility which, in the unsettled state of affairs, was of far greater importance than mere mechanical precision, and to admit of action being taken immediately on a thousand matters which, under the more formal

régime of a Provincial Government, would have awaited reference to Calcutta and possibly to London. It was not until 1897 that the Chief Commissionership of Burma was raised to a Lieutenant-Governorship, an act which placed the Province in all essentials on a level with the Provinces of India proper.

Except in one important particular — the financial status of the country — the Government of Burma is similar in form to that of a Crown Colony. Measures passed by the local legislature are subject to the review of the Central Government in India and finally to the approval of the Secretary of State for India; and no work involving the expenditure of any considerable sum of money may be undertaken without the express permission of the home authorities being first obtained.

The most interesting feature of the administrative system of Burma is the use made by the Government of native headmen as tax collectors and petty magistrates. In 1901 there were in the whole of Burma no less than 18,505 of these native officials. The regulation under which the headmen are employed simply establishes a modernized form of the village system which, in Burma as in India proper, has been the basis of the indigenous administration from time immemorial.

The village systems of Upper and Lower Burma differ in some respects, and the following description refers to the system now in force in Upper Burma. The guiding principle of the village system

*Burma now
practically a
province of India*

*Burma
closely
resembles
Crown Colony*

The village system. is that, in addition to the personal responsibility under the law of each citizen for his own acts, there exists a collective responsibility of a village in regard to certain specified matters — in brief, the individual is the legal unit, the village the administrative unit recognized by the Government. The more serious responsibilities of the villages relate to three offenses — harboring criminals or failing to take reasonable measures to prevent their escape, the suppression of evidence in criminal cases, and cattle theft; and in regard to these offenses a fine may be imposed on any or on all of the inhabitants of a village. The action of the Government in fixing a collective responsibility in these matters has the force of ancient custom. The regulation in regard to cattle theft may be taken as an example. It is known as the Track Law, and rests on a usage established by the Institutes of Manu (500 B. C.), a body of law adopted by the Burmans at least as early as the fourteenth century of our era. The principle of the Track Law is that if the track of stolen cattle can be traced into the limits of any village, the inhabitants must carry the track on beyond the village boundary, or produce the cattle, or make good the loss. Although this has been the law in Burma for centuries, it is only since the British occupation that it has been rigidly enforced. The effectiveness of the law is much greater than might be supposed by any one unfamiliar with Upper Burma. The whole country is divided into villages — the word being used to describe not merely a collection of

houses but also all the adjacent land used by the inhabitants—and where one village ends another begins. The country is thus split up into clearly defined areas of responsibility, and wherever stolen cattle may happen to be at any moment, they must be within one of these areas. Each village is interested in carrying the tracks on beyond its boundary, and it is seldom that a cattle thief succeeds in avoiding capture. The law operates in a similar way in regard to fugitive criminals; and the only condition precedent to the successful working of the law is that accurate surveys of the country should establish the village boundaries.

Important as the village system is as an aid to the operation of the Criminal Law, its chief value lies in the administrative work performed through its agency. In each village the Government appoints a headman, whose official title is *ywathugyi*. The duties of the headman are too numerous even to be enumerated here. As the eye of the Government the headman must keep the nearest white magistrate informed in regard to the commission of any serious crime in his village, of the presence of notorious receivers or vendors of stolen goods, of the passage through his village of any person whom he knows or reasonably suspects to be a dacoit, robber, escaped convict, or proclaimed offender, of the likelihood of a failure of the crops, of an unusual rainfall, of the appearance of epidemics, and so on. As the hand of the Government the headman must search for and arrest persons

76 suspected of criminal offenses, resist unlawful attacks made upon his village, keep open his communications with adjacent posts, furnish guides, supplies of food, means of transportation for police, troops, or Government servants passing through his village (all of which must be paid for at fixed rates by the person making the requisition); furnish labor at a fair rate of pay for making and repairing roads or for other public works; act as Revenue Collector, Registrar of births and deaths and other vital statistics, prevent or extinguish fires, and enforce the sanitary regulations laid down by the Government. All headmen are vested with authority to try any person accused of assault, petty theft, and other minor offenses, and some are especially empowered to hear small civil suits. In addition to the duties outlined above, a headman is expected to perform a thousand small offices either for the Government or for the people of his own village.

Although the pay of a headman is very small, the position is eagerly sought after by the better class of natives, for here, as elsewhere in the Orient, it is considered a great distinction to hold an appointment under the Government. Apart, however, from the pay, and from those intangible advantages which appertain to official rank, certain substantial benefits fall to the lot of a headman and his family. For instance, the sons or male heirs of village headmen may claim free education in all Government or Municipal schools; the Government undertakes

to provide for the family of any headman who loses his life in the performance of his duties; and a headman is entitled to hold as much as twenty-five acres of land free of any revenue charges. For the guidance of headmen the Government issues the most elaborate instructions in regard to the proper steps to be taken in various contingencies. The following extracts from the "Rules for the Defense of Villages" afford an interesting illustration:

Rule 1. Every able-bodied male inhabitant of a village shall provide himself with (a) a spear, or bamboo six feet long, pointed at one end as a spear, (b) ten billets of heavy wood each one cubit long and two and one half inches in diameter, (c) five torches made of rag soaked in kerosene oil and fastened to sticks pointed at one end, so as to allow the torch being fixed easily in the ground.

Rule 6. Those parties detailed to watch the entrances to the village shall, if the dacoits¹ have not already entered the village, endeavor to prevent their ingress to the utmost by hurling billets of wood at their heads and showing a determined front to the dacoits, holding their spears at the charge till the ywathugyi with his body of fighting men arrives on the scene.

Rule 9. The ywathugyi should cheer his men on to the attack and should keep beating his gong to let every one know where he is.

Rule 13. Old men and women should be ready with pots of water to put out fires should one break out in the village during an attack by dacoits; no one is to run away.

¹ A dacoit is a gang-robber. Dacoity in Burma, which is now of very rare occurrence, corresponds to the ladronism of the Philippines, as the word is now understood in Manila.

Rule 14. All villagers to be told that in case they are captured by a gang of dacoits and the villagers come to the rescue, they must throw themselves flat on the ground to avoid being hit by missiles flung at the dacoits.

It will be readily understood that a system of this kind possesses many advantages in a country where the members of the dominant race belong to two classes only — Government servants and business men.

The number of white men in the Government service is kept down; the natives secure a fair share of patronage; and the Government enjoys the confidence of all classes. Thus, although the final control rests always in the hands of a white man, the native is governed in all ordinary matters by one of his own race, and the appearance of foreign domination is avoided. The excellent state of feeling which exists between the rulers and the ruled in Burma is due in no small degree to the fact that the Government yields to its most humble native official the same courtesy and respect which it exacts on his behalf from those under his authority.

The Civil Service of Burma is part of the general Civil Service of India, and is recruited under the English rules. It has been conceded generally by Imperial observers that the Indian Civil Service represents as fine a class of men as are to be found in the whole British Empire, and that in no service is there a higher standard of efficiency, a more unselfish devotion to duty, or a more complete freedom

from the reproach of official corruption. The great defect in the Indian Civil Service, from the standpoint of recent criticism, is that the officials are falling out of touch with the people because the insatiable appetite of the secretariats for statistical returns chains the administrators to their desks when they should be out in their districts. I am inclined to the opinion that those who blame the Indian Government for its increasing rigidity, for its gradual sacrifice of individual contact in the interests of mechanical precision, overlook an important element in the situation.

The declared policy of the Indian Government is to educate the natives, to make them think for themselves, to induce the people at large to take an interest in the moral and material progress of their country, to change, in fact, the Oriental disposition in its two most rigid characteristics — the hatred of change, and the abhorrence of civil or political responsibility. Now, whether this be a wise or a foolish policy, it is quite clear that the individuality of the people cannot be developed if the Government is to retain that paternal character which it inherited from the Company.

Under the old system the Government did the governing, and the people, having been used to the arrangement for thousands of years, were content that it should be so. To-day the world is full of the idea of government for the people, *by* the people, and we have done our best to fill the Indian bazaars with the motto. But paternalism

and democracy cannot march side by side. Under the former dispensation it is a virtue that the administrator should exert his personal influence to secure the aims of the Government; under the latter the exertion of such influence may easily become a vice.

If it is felt that the successful administration of Indian affairs must rest in the future (as it has in the past) on the individual character and influence of the British officials, the first thing to be done is to abandon the idea of an India governed by the popular voice; and the reëstablishment of the personal relations between the people and their rulers will follow as a natural result. But if democratic ideals are to be followed, if the cry is to be "India for the Indians," it is vain to regret the days when a man could go into a district and fashion it after his mind. If the governing is to be done by the people themselves, the best kind of Government official is the precise, accurate, and honest office machine. You may have in an Oriental country strong individuality in the Government; it is barely conceivable that you may produce strong individuality in the people; but you cannot have both in the same place at the same time.

No one who has had occasion to study the principles and practice of Indian administration can have failed to observe that in regard to almost every question, whether of policy or method, which has come before the Indian Government, the most conflicting views are held by those most competent

to form a judgment. Frontier policy, taxation, the employment of natives in the higher branches of the Civil Service, famine relief, plague prevention, municipal government, education — in fact, all matters which affect the welfare of the Indian peoples have been so thoroughly discussed by the most able men in India, European and native, that it has become impossible for an outsider to express any opinion on Indian affairs which shall not appear to a considerable number of thoughtful people to be ignorant, hasty, or prejudiced.

The general conditions of Burma and the isolated position of the Province in relation to the rest of India combine to render somewhat less difficult than would be the case in regard to the Peninsula the task of dealing in a short chapter with some of the more interesting aspects of local administration ; and as Burmese affairs are generally approached by Indian writers from the standpoint of Indian interests, the provincial point of view may be adopted with advantage in the present essay. Although Burma enjoys some substantial advantages from her political and administrative subordination to India, it is impossible for the impartial observer to satisfy himself that the price paid is not excessive, or, indeed, that the whole connection is not anomalous. It is true that the three Burmese wars of 1824, 1852, and 1885, which added Burma to the British Empire, were undertaken in conformity with our general Indian policy and were directed from Calcutta ; but the same may be said of the operations

which led to the conquest of Ceylon and to the formation of the Straits Settlements; and these two possessions are now independent Crown Colonies, although the former was once attached to the Presidency of Madras, and the latter was actually until 1867 a Presidency of India, taking rank with Madras and Bombay.

That Burma should have remained under the Indian Government, notwithstanding the precedent afforded by the treatment of the Straits Settlements and Ceylon, is probably due to the fortuitous circumstance that the conquest of Burma was followed by a long period of military operations before the final pacification of the country was achieved. The effect of this was that the civil administration grew up side by side with a military occupation which could be more conveniently directed from Calcutta than from London; and by the time the Civil Government was firmly established throughout the Province, Burma had come to be regarded as part of India. Beyond the obvious interest of India in controlling the finances of the largest and richest Province of the Indian Empire, there exists no good reason why Burma should not be a Crown Colony.

To deal first with the natural conditions which seem to justify the desire, almost universally expressed in the Province, for separation from India. Every argument which has been rightly advanced for the welding together of the States of the Indian Peninsula under one central Government carries

with it an application *per contra* for the exclusion of Burma from such a union. In the Peninsula the problem in its broadest terms has been that of uniting under one general rule a dense population distributed over an immense area and richly endowed with every attribute which makes for political and social disintegration. In no part of the world have differences of race and religion, operating throughout the span of human history, produced a complexity of interests, a rivalry of ambitions, an intensity of caste prejudice at all comparable with those which exist in India. It is an open question whether our rule has done anything towards modifying this class antagonism; but it is certain that the evils which were formerly attached to this state of things have been in a great measure checked, and that this result has been achieved very largely through the policy of centralization which has placed in the hands of the Viceroy and his advisers the power of directing the internal affairs of India as a whole.

But to keep Burma attached to this school of States is to misunderstand the position which the country occupies in relation to its neighbors, to ignore the social and religious conditions of the Province, to add unnecessarily to the administrative burden of the Central Government, and to make the transaction profitable only by inflicting an obvious injustice on the people whose interests are supposed to be well served by the political tie. Socially, religiously, and politically Burma is the

exact opposite of the Indian Peninsula. Of the inhabitants of the Province nearly ninety per cent. belong to one religion (Buddhism), nearly eighty per cent. speak one language (Burmese), and since the time of Alung Payá (1755) the country has been governed by one central authority. There is nothing, therefore, in the internal conditions of Burma which demands a political connection with India; and as a mere matter of administration it is probable that Burmese interests have suffered to a considerable extent from the fact that administrative measures have been "passed upon" in Calcutta by officials having no knowledge of the Burmese or of their country.

Burma
different from
India in
race, religion
and government.

It may be suggested that Burma would lose rather than gain by having its affairs regulated from London instead of from Calcutta. But it is the very proximity of India to Burma which gives the Indian official a false idea that he has a local knowledge which makes him peculiarly fit to deal with Burmese problems. Residence in India, however, implies no special familiarity with Burma; and the difference between the Government of India and the Colonial Office as the controlling authority of Burma would lie in this, that the former, from over-confidence in its opinions, is ready to interfere with Burmese administration, whereas the latter, conscious of its own lack of local knowledge, would be prepared to accept the advice of the Burmese Government in regard to proposed measures. If the matter be approached

Indian officials
not authorities on
Burma because
of proximity of
India

from the standpoint of external relations, it becomes clear that, so far from the Indian connection being a benefit to Burma, it is a distinct disadvantage, since it takes the Province out of its proper political and geographical setting and attaches it artificially to India. Burma is separated from India by the most formidable natural barriers, and, although land communication is possible with Bengal and Assam, the sea and not the land is, and must always remain, the highway between the Province and the Peninsula.

As a matter of fact Burma belongs to the China-Malay group of States and not in any way to the Indian system, and the future of the Province lies in its relations with China, Siam, and the Malay Peninsula rather than in the growth of its intercourse with India. The history of the past twenty years shows how greatly British interests in the western borders of the Far East have suffered through the treatment of Burma as a province of India. The encroachments of France in Siam and in Southwestern China, which represent the outcome of a policy as perfectly justifiable from the French standpoint as a policy of opposition would have been from that of England, have been carried to a successful issue only because the Indian Government has allowed itself to forget, in its preoccupation about trans-Indus affairs, that a strong trans-Salween policy was called for by Imperial interests in no degree less important than those of the Indian Northwest.

*Burma's
destiny linked
with China
Malay states
rather than
with India*

Burmese
revenue
diverted to
Indian
treasury

What concerns the Province of Burma, however, more than the political effect of her subordination to India is the serious drain on her resources which is involved in the payment of a great part of her annual public revenue into the Calcutta Treasury. Twenty years ago this matter was hotly debated in Burma, and the Rangoon Chamber of Commerce passed the following resolutions: "That the Chamber shall convey to the Local Government an expression of its deep dissatisfaction with the manner in which the revenue of the Province of British Burma is appropriated. The Chamber is of opinion that a much larger proportion of the revenue should be spent in the Province." (Meeting of July 29, 1884.) It appears from a letter which was addressed at this time by the Chamber to the Chief Commissioner, and from memoranda on Public Works expenditure drawn up by Sir Charles Crosthwaite and by Sir Charles Bernard, when, in turn, they occupied the post of Chief Commissioner, that Public Works in Burma were in a very backward and unsatisfactory condition, owing to the inability of the Provincial Government to devote a sufficient portion of the public revenue to the carrying out of much-needed works; that only one district (Tharrawaddy) in the whole of British Burma was fairly provided with roads; that at least one district (Arakan) was practically without roads; that Burma paid a far heavier tax per head of her population than any other Province of the Indian Empire; and that she yielded to the Impe-

rial Treasury a larger surplus per head of her population than any other Province. The attention of the Government of India was drawn to these complaints, and a long and able reply was written by Sir David Barbour. A careful perusal of his letters leaves one with the impression that he made a very clever defense of a very poor case. His arguments were calculated to show that something had, after all, been done for Burma, rather than to explain why more had not been done ; and his references to the question of how far the public revenue of Burma should be used for the general purposes of the Government of India afforded no ground for a hope that a greater proportion would be devoted in future to the needs of the Province.

The Burmese war of 1885-86 diverted public attention from these grievances ; and as a considerable proportion of the cost of the campaign fell on the Government of India, the agitation in favor of local expenditure of local revenue lost much of its strength. A further reason for the disappearance during some years from the field of local politics of the question of the Indian payments was that the annexation of Upper Burma fulfilled hopes which had been long entertained by the mercantile community of Lower Burma, with the result that public sentiment generally was more hopeful as to the future of the Province. But in recent years the matter has been taken up again. When I visited Burma in 1903, I found that a strong feeling existed in official as well as in unofficial circles that

the Province was being unfairly treated in its financial relations with India, and that in separation from the Indian Empire lay the only hope of a proper development of the extraordinary resources of the country.

If anything were needed to increase the public dissatisfaction with the Provincial Settlement (the term applied to the arrangement under which the finances of Burma in their relation to India are adjusted), it would be found in the method by which the Imperial share of the revenue is assessed, and in the fact that the Government of India will allow no papers to be published setting forth the grounds on which the amount of the assessment is fixed. The assessment, instead of following the natural line of an appropriation of a stated proportion of the total public revenue of Burma, is based upon a division of the revenue under each separate item into Imperial and Provincial percentages. Thus, under the Provincial Settlement covering the five years ended March 31, 1902, land revenue is one third Imperial and two thirds Provincial; salt revenue is equally divided; stamp revenue is one fourth Imperial and three fourths Provincial; and so on. Expenditure is treated in the same manner. Some classes of expenditure are met entirely from the Provincial share of the revenue; others are divided in varying proportions between Imperial and Provincial. The clumsiness of this arrangement is obvious, but it is one which falls in with the Indian system of accounting, which is probably

more complicated, and with less reason, than that of any other modern State.

The question of Burmese relations with India is, however, a much larger one than that of the mere annual payment of some millions of rupees into the Indian Treasury. That matter could be settled without difficulty by Burma's agreeing to pay to India, in the event of separation, a military contribution similar to that paid by the Straits Settlements and other colonies to England; and this could be fixed at a figure which would cover all actual expenses incurred on Burma's account by the Indian military establishment. To any person who has not had occasion to go over the ground, a suggestion that Burma should be made a Crown Colony creates a picture of the disruption of the Indian Empire, and lays the person making it open to the charge that he regards Burmese affairs from the local instead of from the Imperial point of view. If I were not convinced that British Imperial interests would be better served by the severance of Burma from India than by the continuance of the present tie, I should be the first person to find in the Imperial advantage of the connection a sufficient reason for the patient endurance by the inhabitants of Burma of whatever evils the furtherance of a great cause should impose on them. The fact is, however, not only that the interests of the Indian Empire are in no way bound up in a political connection with Burma, but that the interests of the British Empire in the Far East have suffered greatly

in the past, and are likely to suffer still more in the future, from the linking of Burma with India instead of with the Malay Peninsula, to which Burma belongs historically and geographically. If Burma were to pass under the control of the Colonial Office, the position of England in the Far East would be greatly strengthened. The British sphere of influence in the territories lying between India and China embraces the whole of Burma and the Malay Peninsula, and British administration is today continuous from the Kachin country on the Chino-Tibetan frontier down to Singapore, with the exception of a few small Native States between the most southerly point of Burma and the most northerly point of Perak. Every interest of these countries demands that their affairs should be directed in conformity with some definite and coherent policy; but as the responsibility is divided between the India Office and the Colonial Office, there has been weakness and confusion where there should have been unity and strength. A united Malayan Empire, comprising Burma, the Federated Malay States, and the Straits Settlements, controlled by one department of the Home Government and treated as the physical base of our Far Eastern policy, would carry with it advantages which it would be impossible to over-estimate. It would further the development of Burma and it would relieve the Government of India of a good deal of administrative work; but its most important effect on British Imperial interests would be the unification and

Burma, Straits
Settlements &
F.M.S. should
be welded into
one colonial
division

Benefits of such
policy

strengthening of our policy in regard to Siam and China, by the creation of a powerful British federation along the line which divides Eastern from Far Eastern politics.

CHAPTER VI

THE FEDERATED MALAY STATES

It is an interesting illustration of the peculiar political character of that mass of States known as the British Empire that in the three Protectorates which have fallen under my observation, of which the Federated Malay States is the third, the relations between the sovereign and the subordinate power differ as widely as it is possible for political relations to differ if the thread of a political connection is to remain unbroken.

Sarawak is a British Protectorate ; and in the internal affairs of Sarawak the British Government has absolutely no voice whatever. Except in regard to its foreign relations that State is as independent of the British Government as the Argentine Republic is of that of Russia.

British North Borneo is a British Protectorate ; yet the only points of internal administration in regard to which the British Government exercises any control are that the Governor of the territory must be appointed with the approval of the Secretary of State for the Colonies, and that laws relating to the management of the natives are subject to the approval of the British Secretary of State for Foreign Affairs.

Finally, the Federated Malay States are a British Protectorate ; and here not an officer above the rank of a junior clerk is appointed, not a law is passed, not a penny raised by taxation or expended in the public service, except with the consent of the British Colonial Secretary in Downing Street.

The origin of British rule in the Malay States is an interesting study, because it represents territorial acquisition (or a degree of control which in fact amounts to that) under circumstances which have always seemed to practical men of action to justify the event, but which to the arm-chair traveler, to the long-distance philanthropist, have always afforded, and still afford, material for painful sermons on the inherent wickedness of all strong nations and the inherent goodness and rightmindedness of all weak native races.

It is a conflict of theories which can never be reconciled, because one side argues from conditions as they are and always have been, the other from conditions as they ought to be and never have been—in a word, from the opposite standpoints of observation and speculation.

The Federated Malay States consist of the Sultanates of Perak, Selangor, the Negri Sembilan, and Pahang, and they form, together with the protected State of Johore, the *Hinterland* of the Straits Settlements. Their present importance lies in the fact that they furnish the world with more than two thirds of its total tin supply. As a general indication of the rank into which they fall as part of the

British Empire it may be mentioned that their annual revenue is equal to that of Ceylon, exceeds that of Hong Kong and the Straits Settlements added together, and is nearly double that of the whole of our West African Colonies. The Straits Settlements were acquired piecemeal between 1786 and 1824, and remained under the Government of India until 1867, when they were constituted a Crown Colony. Before the term of the first Governor sent out by the Colonial Office expired it became clear that in order to put an end to the piracy which had made the Straits of Malacca notorious amongst seamen, and to protect the Settlements from those evils which are invariably attached to a condition of anarchy and misrule in a neighbor's territory, some form of interference in the affairs of the native States would have to be resorted to. In 1873 Sir Andrew Clarke was appointed Governor of the Straits Settlements; and he carried out with him instructions to inquire into the state of affairs in the Malay Peninsula and to report thereon to the Secretary of State for the Colonies. On his arrival in Singapore, however, he had to face a situation which called for immediate action. Trade was at a standstill, open piracy brought him a daily record of peaceful merchants murdered within sight of the Settlements, in the native States the faction fights of the Chinese miners had reached a climax in an attack upon a police station in British territory, and public opinion was unanimous in its demand for some decisive step which would relieve

the Colony from the imminent peril of the disturbances in the Peninsula spreading to the Chinese in the Settlements.

With a true instinct of statesmanship Sir Andrew Clarke perceived that any course of action which confined itself to the mere punishment of the pirates and the pacification of the Chinese miners by a demonstration of force, but which stopped short of some substantial guarantee of future security, would involve all the difficulties and would yield none of the advantages which might be expected to follow a settlement of a permanent nature. Whilst taking all needful measures for the safety of the Colony and for the capture of the pirates, he formulated a plan, in complete defiance of such instructions as he had received, and proceeded to carry it into immediate execution. Instead of the report which the Colonial Office was expecting, he forwarded a treaty with the Sultan of Perak which inaugurated a new policy in the Peninsula. By the Treaty of Pangkor (January 20, 1874) Sir Andrew Clarke deposed one Sultan and placed another on the throne; he provided for the appointment of a British Resident at the Court of Perak and of an Assistant Resident at Larut in the mining district; and by the tenth article — which runs, “The collection and the control of all revenue and the general administration of the country to be regulated under the advice of these Residents” — he assumed entire direction of the Government of Perak. These proceedings received the approval

of the Colonial Office ; and by the end of 1874 the Residential System had so far progressed that, in addition to a Resident and an Assistant Resident of Perak, there had been appointed, by agreement with the native rulers, a Resident and an Assistant Resident in Selangor and an Assistant Resident in Sungei Ujong (which now forms part of the Negri Sembilan). But in the following year Mr. Birch, the Resident of Perak, was murdered, under the authority of the Sultan and with the connivance of most of the Perak chiefs ; and a punitive expedition was sent into the country. The Colonial Office immediately executed a complete *volte-face*, and Sir Drummond Jervois, who had succeeded Sir Andrew Clarke, was severely censured for having undertaken a grave departure from the declared policy of Her Majesty's Government. But the Governor's dispatches written in defense of his conduct show that, as a matter of fact, he had advanced in no important particular beyond the position which had been assumed by Sir Andrew Clarke with the final approval of the Imperial authorities.

The Colonial Office would listen to no excuse ; and under the pretext of bringing the Governor back within the lines of his predecessor's policy, new instructions were issued which entirely discredited the work of Sir Andrew Clarke and put the relations between the Colony and the native States for all practical purposes exactly where they had been before that gentleman first undertook their adjustment. These instructions were explicit.

The government of Perak by British officers, in the name of the Sultan, was forbidden; the duties of the Residents were limited to "the giving of influential and responsible advice;" and the Resident of Perak was warned that "the Residents have been placed in the native States as advisers, not as rulers, and if they take upon themselves to disregard this principle they will most assuredly be held responsible if trouble springs out of their neglect of it." If these instructions had been strictly adhered to in practice, the Residents would have found themselves in a position in which, whilst achieving nothing towards the accomplishment of those administrative reforms which it was the principal object of the British Government to secure, they would have been called upon to suffer the indignity of the constant and open failure of their efforts in that direction. For even if the Sultans had been sincerely desirous of setting their States in order and of establishing an administrative system based on scientific principles, the peculiar character of the social structure rendered the task an impossible one if the instruments for its performance were to be sought amongst the Malays themselves.

Malay society was divided into two classes, one containing all those who could claim to have Royal blood in their veins, the other containing everybody else. One class monopolized all offices under the State and absorbed everything in the nature of public revenue — the term being understood to include whatever sums any one of the Royal blood

could extort upon any pretext and by what means soever from the commonalty, even to the employment of torture. The members of this class recognized no responsibilities except to those of their own rank; the official glance was blind to everything beneath the level of its eyes. To the other class was given the monopoly of labor and of payment of taxes, the former always an unpaid service when performed for the State or its officers, the latter knowing as its only limitation the paying capacity of the person taxed. The native rulers had the right of compelling all female children to pass through the Royal harem; and by force of custom, and from the utter defenselessness of one class in face of the other, the desire of the petty chiefs was law throughout the Peninsula for the women folk of the common people. Behind all this was the system of debt-slavery under which not only a debtor, but his wife and children to their most remote descendants, were condemned to hopeless bondage. In these circumstances it was clearly to be seen that whilst on the one hand the nobles, through whose agency alone a single reform could be introduced under a system of mere advice, might be expected to offer a solid opposition to any change which would curtail their privileges, on the other hand, no help or support could be looked for from the mass of people in whose interest the reforms were to be effected.

Although the States on the western side of the Peninsula enjoyed under their native rulers a some-

what better government than that under which those on the eastern side suffered, yet the following description of the administration of Pahang, written in 1888 by Mr. J. P. Rodger, C.M.G., at that time Resident of Pahang,¹ serves as a graphic description of what the native States were before the appointment of British Residents:

A system of taxation under which every necessary as well as every luxury of life was heavily taxed; law courts in which the procedure was the merest mockery of justice, the decisions depending solely on the relative wealth or influence of the litigants, and where the punishments were utterly barbarous; a system of debt-slavery under which not only the debtor but his wife and their most remote descendants were condemned to hopeless bondage; an unlimited *corvée*, or forced labor for indefinite periods and entirely without remuneration; the right of the Raja to compel all female children to pass through his harem — such are some of the more striking examples, although the list is by no means exhaustive, of administrative misrule in a State within less than twenty-four hours of Singapore. The condition of the Pahang ryot may be briefly expressed by stating that he had practically no rights, whether of person or property, not merely in his relations with the Raja, but even in those with his immediate District Chief.

With that fuller knowledge of the conditions in the native States which followed the appointment of the Residents, a perfectly clear issue arose for the consideration of the British Government.

¹ Sir J. P. Rodger (K.C.M.G., 1904) is now Governor of the Gold Coast Colony in West Africa.

Having discovered that the mere presence of an advising agent at the native Courts would be completely ineffective in so far as any substantial reforms were concerned, or for the achievement of those ends which the Sultans had in view when they asked for the appointment of British Residents, two possible courses of action presented themselves.

The British Government might have withdrawn its Residents, on the ground that they were performing no work of permanent usefulness, and might have accompanied this action by a warning to the native rulers that if they did not, on their own initiative, relieve the Straits Settlements of the dangers incident to disorder in the Peninsula, the British Government would step in with its own forces, put an end to the unsatisfactory conditions, and exact such guarantees for the future as might appear necessary.

The alternative was to extend gradually the powers of the Residents, to increase the European staff, and, while interfering as little as possible with the social customs of the people, and not at all with their religious affairs, to secure step by step the complete control of the Administration.

Of these two policies the British Government wisely adopted the latter. It has been carried out with infinite skill and tact, and with results, as will be shown later, which place the work done by the British in the Malay Peninsula on a level with the finest achievements of a race which has had

a greater and wider success than any other in the field of colonial administration.

The work of reducing the Malay States to some kind of order, of establishing a proper judicial system, and of initiating a policy which should open up the country and afford that protection to life and property which capital demands as a condition precedent to its employment on a large scale, was carried out principally under the advice and guidance of Sir Hugh Low, who was Resident of Perak from 1877 to 1889. But already in these years the man whose brilliant abilities and dominating personality were destined to carry the Malay States to the high level of prosperity and good government which they enjoy to-day was exerting a marked influence on the Administration. One of the earlier appointments in the Peninsula had been that of Mr. (now Sir) Frank Swettenham to the Assistant Residentsip of Selangor. His rise in the service to Resident of Selangor in 1882, to Resident of Perak in 1889, to Resident-General in 1896, to Governor of the Straits Settlements and High Commissioner of the Federated Malay States in 1901, covers the whole period of the successful accomplishment of those social and administrative changes which have placed the Malay States on a footing of equality with the best governed portions of the world. By the year 1884 slavery had been abolished throughout British Malaya; in 1888 Pahang, the largest State in the Federation, accepted a British Resident; in 1895 the small States

Frank Swettenham

forming the Negri Sembilan were placed under one native ruler; and in the following year the four States — Perak, Selangor, the Negri Sembilan, and Pahang — were combined in a Federation for the purpose of mutual assistance, continuity of policy, and uniformity of administrative methods. In these proceedings Sir Frank Swettenham played the most important part. His perfect command of the Malay language, his unrivaled knowledge of the Malay character, and his rare talent for moulding men and measures to his purpose fitted him in the highest degree for the delicate task of reconciling conflicting interests and soothing petty jealousies, and enabled him, whilst avoiding the appearance of giving undue support to any of the actors in the drama of dangerous rivalries in which he found himself playing the leading rôle, to gain by means of unimportant concessions everything which was really essential to the success of his plans.

I regret that considerations of space forbid me to enlarge upon the work of the Residents; for, whatever may have been the benefits which have resulted from the masterly handling of questions of policy and principle by Sir Frank Swettenham, no success could have been achieved unless he had been backed up by the silent, ungrudging, persistent toil of those into whose hands he committed the execution of his plans. It is this kind of work, which goes on steadily year after year, receiving no support from public applause and very little as

a rule from official approval, that really deserves our highest praise and sympathy.

The position of the Federated Malay States is rendered peculiar from two circumstances — one that the greater part of the world's tin supply is drawn from these States, the other that the native Malay population absolutely refuses to perform manual labor under any conditions whatever.

In 1901, out of a total export trade valued at \$71,350,000, tin represented \$61,689,000, or more than eighty-six per cent. of the whole.

The total revenue of the States in the same year amounted to \$20,550,000. If from this sum we deduct such items as railway, postal, and telegraph receipts, fines and fees of court, reimbursements, interest on State bank balances, land sales, and fees of office, we get down to a revenue from taxation proper of \$16,500,000. Of this sum, tin, produced entirely by Chinese miners, paid as export duty \$8,439,000 ; and the opium, spirit, and gambling licenses realized \$3,726,000, of which sum fully ninety-five per cent. was eventually paid by the Chinese miners.

So we find in the Federated Malay States this extraordinary condition of affairs, that out of a total revenue from taxation of \$16,500,000, raised in a Malay country, \$12,000,000, or nearly seventy-four per cent., is secured from the industry of Chinese immigrants and from their vices.

As far as my own observation extends, I should say that the Malay of the Peninsula is the most

steadfast loafer on the face of the earth. His characteristics in this respect have been recognized by every one who has come in contact with him. He will work neither for himself, for the Government, nor for private employers. He builds himself a house of bamboo and attaps, plants enough rice to fill out the menu which stream and forest afford him, and for nine tenths of his waking hours, year in and year out, he sits on a wooden bench in the shade and watches the Chinaman and the Tamil build roads and railways, work the mines, cultivate the soil, raise cattle, and pay the taxes. As all his desires are completely satisfied by this kind of life, you can make no appeal to him for industry.

The Resident-General, in his annual report for 1901, says: "The Government, with a system of taxation which barely touches the Malay, raises a large revenue and incurs a large expenditure in developing the resources of the country by means of roads, railways, irrigation works, and so forth. But the labor force engaged in their execution is supplied almost entirely by foreign coolies under the superintendence of foreign engineers and superintendents. The Malay, with his rooted disinclination to steady work of any kind, will neither give his work to the Government undertakings, nor to mines or plantations. It is difficult even to induce him to serve as a policeman. With the advantage of a splendid climate the natives might grow rice and rear stock for the ready market

provided by the Chinese miners; but this they have failed to do, and a large part of the fishing industry even is in the hands of the Chinese. Domestic servants, washermen, messengers, gardeners, and grooms are foreigners."

What a picture of a people! Too lazy to be policemen — too lazy to fish!

The Federated Malay States have not been exempt from the operation of that economic law which decrees that when in any country which contains economic supplies of which the world stands in need, and the working of which will afford a reasonable profit to capital, the natives refuse to work, a flow of immigration will set in composed of persons of alien races who are willing, for a fair wage, to bring to the aid of Nature the industry of man.

Taking the figures of the Census of 1901, and omitting from our calculation the State of Pahang (the economic development of which has only just commenced), we find that the three remaining States of the Federation had a population of 570,454 exclusive of floating population and prisoners, and that of this total 61 per cent. were foreign immigrants, chiefly Chinese, and only 39 per cent. were Malays.

The lesson contained in these figures is too obvious to require comment.

In like circumstances, a Government will always be faced with the labor problem, and it admits of only three solutions. If the natives refuse to work, as they have refused in all times in every tropical

country the development of which has been undertaken by Europeans or Americans, the first alternative is to abandon the country and thus rob the world of that economic contribution which it has a right to expect from every territory which Nature has endowed with economic resources; the next is to adopt the method which made Java the most flourishing of all tropical colonies, that is to say, force the natives to work by prescribing a certain number of days of labor in the year for each native and visiting a default with severe penalties; and the final alternative is to leave the native alone and bring in outsiders who will do the work.¹

Passing now to the system of administration in the Federated Malay States, we find conditions not differing greatly from those which exist in a British Crown Colony. Each State is governed by a State Council composed of the Sultan, the British Resident, the Secretary to the Resident, a number of Malay chiefs, and one or more prominent Chinamen to represent the interests of the Chinese community.

As the members of the Council hold their seats by appointment and not by election, and as no law is submitted to the Council for enactment until it has been approved by the High Commissioner (a position which attaches to that of Governor of the Straits Settlements) and by the British Secretary of State for the Colonies, it is evident that there is

¹ The labor problem in the Malay Peninsula is discussed at some length in the next chapter.

here no greater independence of legislation than is enjoyed in a Crown Colony.¹

The existence of the Resident-General and the Federal officers is an advantage which the Crown Colonies do not possess. The Federal Establishment consists of a Resident-General, a Federal Secretary, a Judicial Commissioner, a Legal Adviser, a Commandant of the Military Forces, a Commissioner of Lands and Mines, a Director of Public Works, a Commissioner of Police, a General Manager of Railways, a Secretary for Chinese Affairs, an Inspector of Prisons, an Inspector of Schools, and a Government Pathologist.

The Resident-General is really an Executive Council of One, and he is also the official adviser to the High Commissioner. Most of the other members of the Federal Staff, in addition to the performance of their specific duties in connection with strictly Federal work, act as advisers in their several departments to the officers in the service of the separate States.

Not the least important result of the appointment of the Federal Staff has been the gradual introduction of that uniformity of administrative methods and that continuity of policy without which Federation would have failed of half its usefulness.

At the present time the administrative force of the Federated Malay States is recruited under the

¹ For a description of Crown Colony Government, see Chapter II, pp. 18-24.

cadet system, the examination, which is identical with that for the Indian Civil Service, being held in London each year. But in the early days a Civil Service had to be created in block ; and I may say, with no disparagement of the cadets, who after a few years' training, make excellent officials, that no one could visit the States to-day without being struck by the remarkably high character of that section of the Civil Service which was recruited by selection before the introduction of the cadet system. In no part of the world with which I am familiar have I seen men more devoted to their work, more closely identified with the success of the administration, or more keenly interested in everything which relates to the progress and development of the States in whose service they are laboring.

And what has British rule achieved for the Malay States? It has given the native security of life and property ; it has abolished slavery and the exaction of unpaid labor ; it has established permanent land titles ; it has provided free education and free hospital treatment and medicine for all ; it has exterminated piracy ; it has put an end to the recurrent scourges of smallpox and cholera ; it has constructed over a thousand miles of metaled road ; it has built *out of current revenue* three hundred miles of railway¹ which carried nearly four million

¹ The sum expended on the construction and equipment of the Federated Malay States Railways up to and including 1902 was about \$23,000,000 (silver).

passengers in 1902, and earned in ten years a net revenue of over seven million dollars; it has, perhaps unwisely, left the native practically untaxed; it has afforded ample opportunity to the Malay of entering the Government service and of acquiring wealth by the exercise of ordinary industry; it has raised the revenue of the States from \$400,000 in 1875 to \$22,500,000 in 1902; it has in the same time increased the foreign trade of the States from \$1,500,000 to \$127,000,000; it has kept the peace and maintained the law.

CHAPTER VII

THE STRAITS SETTLEMENTS

THE last day of the sixteenth century saw the incorporation of the English East India Company, and two years later its great Dutch rival was established. For the next two hundred years the history of Southeastern Asia is filled with the incidents of a great struggle between the Dutch and the English for the mastery of the Malay seas; and it was not until the beginning of the nineteenth century that the withdrawal of England from Java and Sumatra and the cession of Malacca by Holland laid down the definite principle of British supremacy in the Peninsula and Dutch supremacy in the Archipelago.

The past century has produced no material change in the relative positions of the two Powers, and each has occupied itself with the peaceful development of its own territory. Not the least interesting feature of the results which have been obtained is the spectacle which is afforded of brilliant success attending two policies diametrically opposed to each other in every detail of principle and application.

As the Dutch work in Java will be the subject of separate treatment, it is sufficient to point out

at present that the keynote of the Dutch policy was monopoly and exclusion, that of the English policy free trade and free immigration, and that while the former has given Holland one of the finest agricultural colonies in the world, the latter has added to the British Empire one of its greatest trade depots.

The Straits Settlements consist of the Islands of Penang and Singapore, Province Wellesley, the territory of Malacca, and a few small islands, and they lie on the eastern shore of the Straits of Malacca, the great highway for all ships seeking the Far East by an easterly course. The strategic importance of the Colony will be recognized at once by any one glancing at a map of the world. It is seen that the Indian Ocean is divided from the China Sea and the Pacific by the Malay Peninsula, and by that garland of isles which swings from Sumatra to Port Darwin in northern Australia.

If, coming from the west, you wish to reach any port above the equator and beyond the one hundredth degree of east longitude, you must pass through the Straits of Malacca or take a thousand-mile detour to make the passage of the Straits of Sunda, which separate Sumatra from Java.

Some idea of the magnitude of the stream of commerce which flows through the ports of the Straits Settlements may be gathered from the fact that there entered and cleared in the Colony during 1902 more than fifty thousand vessels, of a total burden of seventeen millions of tons.

Within a thousand-mile radius of Singapore, the capital of the Straits Settlements, lie the whole of the Malay Peninsula, Siam, the southern provinces of French Indo-China, Borneo, Sumatra, Java, Celebes, and the lesser islands of the Archipelago. For this immense area Singapore is the trade centre; and the importance of this commerce may be gauged by the fact that the value of the imports and exports of the Colony reached in 1902 a sum of £62,000,000, an amount greatly in excess of the total value of imports into the whole of our American and West Indian colonies, including Canada, in the same year.

The administrative system of the Straits Settlements presents nothing of distinctive interest to the student of political science. It is a Crown Colony government of the ordinary type, and as such its chief claim to notice is that in the thirty-five years of its subordination to the Colonial Office it has escaped the gubernatorial inflictions with which some of our Colonies — Barbados, Trinidad, Mauritius, and Hong Kong, for example — have been visited from time to time. But what the system itself lacks in point of special interest may be found in a consideration of some of the administrative problems with which the local Government has been confronted.

The question of currency reform and labor supply have presented elements of peculiar difficulty, and a discussion of them falls naturally into place in the present volume, since the former constitutes a serious factor in the financial policy of

every colony having a detached monetary system, and the latter represents the most vital economic problem common to all tropical and sub-tropical countries, whether they are politically dependent or independent.

The fall in the rate of exchange of silver as compared with gold, a phenomenon due to causes entirely beyond the control or prevision of the Straits Government, has reduced the gold value of the local silver dollar from about 3s. 9d. in 1882 to 1s. 7d. in 1902. This downward movement of exchange has been continuous over a number of years, but it has been subject to violent fluctuations from day to day; and in discussing the general effects of a declining and unstable currency emphasis must be laid on the fact that the different economic interests of the Colony have been very differently affected according to whether the controlling factor for any particular interest has been the absolute decline in the value of the dollar or the fluctuation in its value from day to day, the latter condition operating within the sphere of the falling gold value of silver, and with such force that a loss due to the general movement of silver over a considerable period might, under certain conditions, be counteracted by successful speculation on the daily rate of exchange. For instance, the banks have benefited greatly from the element of daily fluctuation, and the merchants have suffered greatly from the same cause, because the former with their special facilities of information have been

able to speculate more successfully on the rise and fall of the dollar than the latter, and for the reason that from the magnitude of their capital they have been better able than the merchants to accept risks and to sustain losses. In the mutual relations between the banks and the merchants two important factors give the former a great advantage in all transactions based on a fluctuating currency — one is that, the rate of exchange being much more sensitive than the price of merchandise, those who deal in money alone carry their risks for a shorter period and can effect adjustments much more frequently than those who deal in merchandise as well; and the other is that in exchange operations, the necessities of the merchants being always more urgent than the necessities of the banks, the latter are in a better position than the former to resist, within certain limits, a rising market when they are purchasing and a falling market when they are selling.

It is more difficult to trace the precise effect on the mercantile interests of the Colony of the simple decline in the gold value of the local dollar, considered apart from the question of daily fluctuation. The mercantile community of the Straits Settlements may be divided into two classes, one containing the great wholesale houses, which conduct both an export and an import business; the other containing the retailers, chiefly Chinese, who may be regarded as the agents for the purchase and sale of that portion of the imports which is

retained for home consumption and of that portion of local products which is not required for export. The division is imperfect because the two classes are not mutually exclusive, and for other reasons, but it is accurate enough to serve as the basis of some general considerations. The trade returns of the Colony for 1902 show that the import trade was evenly divided between gold-standard and silver-standard countries — \$156,379,000 from the former and \$154,731,000 from the latter — but that the value of exports to gold countries was nearly three times as great as that of exports to silver countries — \$210,000,000 to the former and only \$72,000,000 to the latter. Under these circumstances it may be assumed that as the wholesale traders of the Colony paid out on a gold basis \$155,000,000 for their imports, and received \$210,000,000 on a gold basis in return for their exports, the fall in the dollar, in so far as it had a direct effect on the transit trade, yielded to the merchants a profit on the larger sum as against a loss on the smaller; in other words, the falling dollar has injured the merchant as an importer from, and has benefited him as an exporter to, gold countries. Turning now to the retail traders, it seems probable that they have gained more from the fluctuation in the dollar than they have lost from the fall in its value. In regard to most commodities, except such as have a well-known and customary price, the dealers have generally been able to raise the retail price, in sympathy with a rise in the

wholesale price, and they have always done so when they have found it possible, whereas they have never lowered their prices until competition has compelled them to do so.

To sum up the situation as affecting the mercantile interests of the Colony, it may be said that the only undoubted gainers from a fluctuating dollar have been the bankers, and in a very small way the retail dealers; that whatever advantages the merchants may have been able in special instances to secure from this cause have been more than offset by the uncertainty which it has introduced into all commercial transactions, by the growth of speculative business, and by the discouragement which the risks of a fluctuating currency offer to the investment of capital; and that in the great majority of cases the fluctuation in the dollar has made it more difficult and more expensive for the merchants to finance their operations. On the other hand, part of what the merchants have gained as exporters to gold countries, from the fall of the dollar, they have lost as importers from gold countries; and there is no reliable evidence that a low dollar has greatly stimulated the trade between silver countries.

If we approach the question from the standpoint of the interests of the producers and the consumers, we find that what has been a benefit to the former has been a serious source of loss to the latter. As far as the producers of the Colony are concerned (and we may properly include those of the Federated Malay States), the fall in the value

of the dollar has been a distinct temporary advantage, for nearly the whole export of local produce goes to gold countries, and in consequence the producers receive to-day more dollars for any given quantity of their produce than they would have done ten or twenty years ago if sold at the same sterling market price. The advantage has accrued, however, from several contributing causes. In regard to tin, which is by far the most important local product, one effect of the low dollar has been this, that, as the wages of the laborers have not risen as fast as the value of the dollar has declined, the dollar profits on the sale of tin have increased, and another, which has had a very important bearing on the prosperity of the tin-miners, is that, as the cost of production has been lowered, in relation to the sterling price of tin, by the relatively smaller proportion of the total receipts which has been paid out as wages, the mine-owners have been placed in a more advantageous position than formerly in regard to the competition of Cornwall and Australia. It must be noted, however, that the price of tin is fixed in Europe and America, and, whether resting for the moment on speculative operations or on the usual basis of supply and demand, is entirely independent of the rise or fall in the local dollar. It is clear that the increased production of tin which has followed the increased profits due to a falling dollar has done much to bring the supply of tin nearer to the point of demand, and that a fall in price may occur which will more than offset

in the future such advantages as have arisen in the past from the high price of tin and the low rate of exchange. The same may be said of all local produce — namely, that a temporary advantage has been reaped from the fall in the dollar, but that in the long run the uncertainty of dollar prices and the tendency to overproduction more than counterbalance the profits from this cause.

As far as the community at large is concerned, regarded as a composite whole made up of individual consumers, the fall in the dollar has been entirely a loss, and in many cases a very serious loss. The day laborer and the salaried employee have both suffered, but the hardship has been greatest for the latter class, since it includes the chief consumers of imported goods. It is no exaggeration to say that for the salaried employee, European, Chinese, or Eurasian, the cost of living has doubled during the past twenty years, and that, after long service, a large number of persons find themselves, despite the normal increases in their salaries, in a worse financial position than they were at the time they took up their work in the Colony. So great has been the distress from this cause that the better class of employers have placed some portion at least of the salaries of their servants on a sterling basis. But, notwithstanding this, the salaried employees have suffered seriously, both from the decreased purchasing power of the dollar and from the depreciated value of their savings.

The advisability of a reform in the currency of

the Colony has been discussed from time to time during the past ten years, and early in 1903 the question was investigated by a committee, of which Sir David Barbour, one of the most eminent authorities on finance, was the chairman. After collecting a great deal of evidence the committee reported in favor of the adoption of a gold standard by the Straits Settlements, the Federated Malay States, and Johore, but refrained from making any suggestion as to the value at which the new dollar should be fixed. Steps are being taken to carry out the recommendation of the committee; and the change from a silver standard to a gold standard is being accomplished by the introduction of a new dollar, which the local Governments will undertake to maintain at a fixed ratio to the British sovereign and by the demonetization of the British and Mexican dollars now in circulation.

In face of a conflict of interests such as exists in the Colony between the banks and the merchants, the producers and the consumers, and between the trade with gold countries and the trade with silver countries, it is of course impossible to effect a serious change in the monetary system without inflicting at least a temporary loss upon some one; and the matter resolves itself, therefore, into a question of the degree of advantage or disadvantage to be anticipated from the altered conditions. Viewed in this light there is no doubt that the balance of advantage will rest with the larger interests of the Colony. The element of speculation which

hitherto has affected the trade with gold countries will be transferred to the trade with silver countries — that is to say, from the larger trade to the smaller. The advantages which the banks have reaped from fluctuations in exchange will be taken from them, and the disadvantages which fell from the same cause to the lot of the merchants will be removed. But as the capital of the banks is small when compared with the total capital invested in the businesses of the merchants, it is again the larger interest which will be benefited.

Finally, the general interests of the Colony as represented by the Government and the Municipalities will be well served by the introduction of the gold standard, on the one hand, because these bodies have heavy gold obligations to discharge for salaries of officials and the payment of pensions, and, on the other hand, because the large Government and municipal loans which it may be necessary to raise from time to time can be floated on a gold basis at a low rate of interest without the fear, which would always exist under a silver standard, that a fall in exchange might increase the liabilities in regard to payment of interest and repayment of capital.

One of the most important Bills laid before the Legislative Council of the Straits Settlements during 1903 was the Immigration Amendment Ordinance, which it is hoped will so stimulate Indian immigration as to relieve the Government and the planters from the difficulties into which they have

fallen through the scarcity of labor. Before passing to a consideration of the local aspects of the labor question it is necessary to sketch briefly the general outlines of existing labor conditions in tropical countries, since there is no subject, outside the domain of theology, which has given birth to such an enormous controversial literature as have the rights and wrongs of tropical labor. Since the abolition of slavery the constant efforts of tropical employers to secure satisfactory labor conditions have proved that, except in those countries in which there exists a pressure of population, the natives of the tropics will not lend themselves to steady labor of any kind, and that the effect of increasing wages is to reduce, and not to augment, the local labor supply. If we exclude India, Java, Barbados, Cuba, Porto Rico, and a few unimportant islands, the tropics may be described as an immense forest in which the population is so small in relation to the area and natural resources of the land that there exists no necessity for any native to work for hire. Up to the point when he wishes to gratify some acquired taste in food, drink, or clothing the tropical man is furnished by the sea, the rivers, and the jungle with everything he needs at a very small expenditure of energy — usually his wife's. If we grant for the moment that under these circumstances the tropical man has a perfect right to live a life of idleness, even if we join ourselves with that section of the British and American public which is constantly applauding his exercise of

the right, as though it were a crowning virtue in him, we cannot close our minds against the fact that the sloth and indolence of the tropical races have yielded an abundant harvest of political and economic consequences. In regard to the former it is sufficient to point out that every tropical country of any present importance is under the control of men with European or North American blood in their veins.

The circumstance which instantly attracts our attention when making a survey of the tropics from the economic standpoint is that only in those countries which are colonies or dependencies of the Great Powers does there exist a condition of development bearing any appreciable relation to the resources of the land. Thus the independent States of tropical America and the kingdoms of Siam and Abyssinia — which are the only parts of the tropics which are not colonial dependencies — are practically unreclaimed spaces, slightly chipped at the edges by coffee or rubber estates or by timber concessions. An examination of the economic position of all tropical colonies reveals a fact of the highest importance in regard to the labor conditions of those countries — namely, that, with the exception of Java, Barbados, Porto Rico, Cuba, and India, where there is a pressure of population, there is not a single tropical colony of any commercial importance in which the work is not being done by imported laborers. In order to make this point quite clear I give a list of the colonies and protectorates

where the labor supply consists wholly or partially of imported Chinese or East Indians: British Guiana, Trinidad, Mauritius, Fiji, Ceylon, the Straits Settlements, the Federated Malay States, British North Borneo, Jamaica, Sarawak, Sumatra, the British South African Colonies and to these we may add Queensland, which gets its labor from the Pacific Islands; New Caledonia, which imports Annamites; and French Indo-China, with its Chinese labor. There remain the Colonies in Equatorial Africa, Dutch and French Guiana, New Guinea, the Philippines, and a few unimportant islands here and there, and there does not exist amongst them one of which it can be said that in relation to the capabilities of the land economic development has really commenced. The following figures illustrate the degree of economic progress which has been reached in the various countries to which reference has been made. Of the independent tropical States, Brazil exports per head of her population produce to the annual value of £1 10s.; Venezuela, £1 15s.; Guatemala, 15s.; Siam, 10s.; of the colonies in which there is a pressure of population, Java exports per head of her population 10s.; Porto Rico, £1 15s.; Barbados, £4 15s.; and of the Colonies employing imported labor, Hawaii exports £26 per head; Queensland, £18; the Federated Malay States, £8 10s.; Trinidad, £8 10s.; Mauritius, £8; British Guiana, £6; and Fiji, £4 10s. The average for the seven countries not employing imported labor is £1 13s. per head;

of those employing imported labor, £11 7s. per head. I do not claim for these figures that they are more than approximately accurate; but the differences which they disclose are far too great to be materially affected by the small factor of error due to insufficient or faulty returns of trade and population. In order to emphasize the significance of these figures, it may be noted that the value of exports, which gives no trustworthy measure of the economic development of non-tropical countries, affords a fairly accurate indication of the industry of tropical races. The altered application lies in this, that in countries where the standard of living is very high the trade of the home market is infinitely greater than the export trade, whereas, in countries with a very low standard of living the conditions are reversed.

It is clear from what has gone before that, with the few exceptions named, there is not a single tropical country which possesses a local labor supply sufficient, under existing labor laws, to carry on the work of economic development; that only those countries which import labor from outside the tropics or from densely populated tropical countries have made any appreciable progress in agricultural or other industries; and that, broadly speaking, the work of the tropics is being done to-day by the Chinaman, who is a non-tropical man, and by the natives of British India, both races being driven to the task by the severe economic pressure which exists in their respective countries. Up to the pre-

sent time it has been found that where education, other than industrial or technical, has been most liberally provided, the natives do the least work, and that when wages are doubled the few local laborers adjust themselves to the new conditions by working half-time.

The census of 1901 shows that there are in the Straits Settlements more than 200,000 Chinese and more than 50,000 East Indian immigrants resident in the Colony as laborers. Little need be said of the Chinese. They flock readily to any country where work may be had at fair wages; they will submit to any sanitary regulations which the Government cares to enforce; and they are as a rule peaceful and law-abiding. All they ask is that in their leisure hours they may be allowed to gamble and smoke opium. There has probably never been a Chinese riot in any European Colony unless a fall in wages, a rise in opium, or the introduction of new gambling laws has interfered with the full enjoyment of the two Chinese recreations. The importation of natives of India into the Straits Settlements has a curious legislative history. In a Colony which has been provided with Governors of exceptional ability, and which has always enjoyed the advantage of an efficient and conscientious Civil Service, the very excellence of the general administration throws into sharp relief the unsatisfactory treatment which the labor question has received at the hands of the Government. Beginning with Ordinance 9 of 1875, there were passed

in the course of fifteen months four Immigration Acts, each repealing its predecessor. Another Bill was introduced in 1881, but did not reach a second reading, another in 1882, another in 1884, another in 1889, another in 1892, another in 1897, another in 1899, and finally there is the Bill now in operation. All this legislation has been marked not only by an entire absence of definite aim on the part of the Government, but, as far as the last three Bills are concerned, by an unaccountable failure to adopt any of the more important recommendations of the Labor Commission of 1890, which presented a report of exceptional interest and value, recommendations which were in the main supported by the Labor Commission of 1896.

The necessity for special labor legislation in the Straits Settlements has arisen from the simple cause that the local labor supply is entirely inadequate for the purposes of agriculture and for the service of the public works of the Government and of the Municipalities. The chief importers of Indian labor have been the planters, and their dissatisfaction with past conditions has rested on two grounds — first, that the supply has been insufficient, and, secondly, that under the existing labor laws they have been unjustly deprived of their laborers, who have been taken from them either by the planters of the Malay States, by the Governments of the Settlements and the States, or by the Government and Municipal contractors.

The question of initial supply is almost entirely

one of the system of recruiting and of the rate of wages offered ; and it is generally admitted that the former is extremely unsatisfactory and that the latter is too low in face of the rates paid in Ceylon and Burma, both of which countries draw their labor from India. But the fact is that a supply of labor which would be amply sufficient under a proper system of regulation after arrival would prove inadequate under the conditions which have hitherto prevailed. The new law provides for a considerable increase in the minimum legal wage of contract laborers, and the business of recruiting is handed over to a commercial company in Southern India on certain fixed terms and subject to the inspection of an official of the Straits Government, who will reside in India for six months each year. It is difficult to believe that a permanent solution of the recruiting problem will be found along these lines. As long as the supply of coolies is a matter of commercial speculation it is certain that abuses will arise in the methods of recruiting ; and further, when a number of employers are competing in the same market a commercial company will always take advantage of the competition thus created to advance its own interests at the expense of its clients. The probabilities are that sooner or later the Governments of the Straits Settlements and the Malay States will find it necessary to adopt the system of recruiting which is used with the most satisfactory results, by Trinidad and British Guiana. The Governments of those Colonies maintain an Emigration

Department in India under the control of an official whose duties are confined to the securing and forwarding of laborers. The Colonial Government makes all the arrangements and pays all the expenses up to the time when the laborers are handed over to the planter, and it secures itself against loss by making the repayment of immigration charges the first obligation on the planter's assets.

Most of the planters in the Straits Settlements and the Federated Malay States have had their training in British Guiana or in Ceylon, and in consequence the conditions under which the Indian labor is imported into the Malay Peninsula resemble those prevailing in one or the other of those colonies.

In British Guiana the system is one of indenture. There is a definite contract between the planter and each coolie, and the law sees that each party fulfills its obligations towards the other. It is a system with which I am familiar from personal observation, and I have described it in detail elsewhere.¹ It has worked excellently, but against the great advantages which it affords to the planter, to the coolie, and to the Colony generally, there must be set the considerable expense involved in its maintenance. The coolie lands in British Guiana under a contract, signed before his departure from India, to labor for a fixed period, and on arrival in the Colony he is simply handed over by the Govern-

¹ *Tropical Colonization*, Chapter v.

ment to his employer. The latter is protected against the loss of his coolie's labor by a provision in the law which imposes a fine of forty-eight gold dollars on any person who attempts to engage another man's coolie, and an additional fine of two dollars a day in respect of any success which may have attended his efforts.

In the Straits Settlements the coolie is imported at the expense of the planter, under a promise that on arrival in the Colony he will enter into a labor contract. It is true that if he refuses to keep his promise he renders himself liable to fine or imprisonment; but to secure a conviction under the law requires time and expense, and at the end the planter is left without his laborer. Provision is made for the punishment of coolies who desert from an estate when under contract to remain on it, but the penalties fall entirely on the coolie and leave untouched any person who may have enticed him away. It is clear, therefore, that, whereas in British Guiana the planter incurs no expense until the coolie is actually on his estate under contract, the planter of the Straits may go to the trouble and cost of importing a coolie and may then fail to secure his labor. Moreover, under the British Guiana law the penalty for employing another man's coolie is heavy enough to operate as a complete check, whilst in the Straits no such security is afforded to the employer. It is perhaps superfluous to add that in the Straits, as in Guiana, the interests of the coolies are carefully safeguarded

by the Government, and that they are effectively protected against ill treatment at the hands of their employers.

The other system under which Indian labor is imported into the Malay Peninsula is moulded on that in force in Ceylon. Its chief characteristic is that the planter deals with a native "kangani," or recruiter and headman, and has no contract under the Immigration Ordinance with the individual coolie. A kangani is sent over to India with instructions to recruit a certain number of laborers, the planter making the necessary money advances. On his return the kangani and his gang are employed by the planter on such terms as may be arranged between them. It is a system of "free" labor as opposed to one of "contract" labor; and the protection of the coolie, instead of resting, as it does under the Immigration Ordinance, in the special inspection and control of the Government, lies in the fact that no kangani or planter can afford to be unpopular either in the Colony or on the recruiting ground when a keen competition amongst employers affords the coolie an ample latitude of choice.

As far as I could gather from conversations with employers of labor in the Colony and in the native States, a good deal of dissatisfaction still exists in regard to the local labor conditions. There seems to be a general feeling that if the Government undertook to import all the labor it needed for Public Works and ceased to compete with the

planters in the open labor market the latter would be quite content to make their own arrangements for the importation of such labor as they might require, without the concurrence of the Government.

In concluding this chapter I cannot refrain from making some reference to the controversial aspects of the labor problem in the tropics. Both in England and America there exists a considerable body of opinion which is opposed to the employment of contract labor in the tropics. The chief argument advanced is that there is no need for it, since the natives can be educated to understand the dignity of labor, or, failing that, can be taught new wants, the gratification of which will call for steady work. When it is pointed out that universal experience has proved the utter falsity of these conclusions, recourse is had to the old cry that "contract labor" is simply a polite name for "slavery." I am not concerned to deny that under a weak Government, or where there is not a conscientious Civil Service, contract labor may, by the existence of abuses, bear some resemblance to slavery; what I wish to maintain is that where there exist a strong Government, a good Immigration Law, and an efficient staff for the enforcement of its provisions, the contract laborer is more secure in the enjoyment of all his rights and privileges than he would be if he had not voluntarily entered into an agreement with an employer. Perhaps the most violent attack which has ever been made on the contract labor system was that undertaken by Sir George William Des

Vœux when he was a magistrate in British Guiana. It resulted in the appointment of a Commission of Inquiry; and if any one is interested to observe how the most explicit and detailed assault to which the system of contract labor in the tropics has been subjected ended in an utter failure to substantiate any of the serious charges laid at the door of the planters, the magistrates, and the Government officials, I commend to him the report of the Des Vœux Commission of 1870, which contains some 1600 pages of evidence on this very important subject.

CHAPTER VIII

FRENCH INDO-CHINA

At the beginning of the nineteenth century France had already been engaged for more than two hundred years in colonial enterprises.

In the Old World the genius of Dupleix and the bravery of the great Admiral Suffren had all but given her India; and in the New World that immense territory lying east of a line dropped from Hudson's Bay to the mouth of the Mississippi would have been hers if the efforts of Champlain and D'Iberville had received adequate support from Paris.

East and West, however, the story was one of grand achievement almost achieved, of a great failure which might easily have been a great success. The net result, the final outcome, of two centuries of effort was that in 1815 France possessed Martinique, Guadeloupe, Réunion, a few scattered trading-posts in India, and the little fishing settlements of St. Pierre and Miquelon.

During the first half of the nineteenth century little was done to extend the over-sea possessions of France. The Revolution, which had been preceded by a hundred years of warfare, had been followed by the Napoleonic campaigns, and the country was thoroughly exhausted.

In 1850 the colonies of France occupied an area of 200,000 square miles and held a population of less than 3,000,000.

But the passion for territorial expansion, which had remained dormant after Waterloo, was slowly reviving, and at the conclusion of the Franco-Prussian War France embarked once more upon a policy of colonial conquest.

The second half of the nineteenth century added more than four million square miles and more than fifty million inhabitants to the French Colonial Empire — an area greater than that of the United States, a population more numerous than that of Great Britain.

*Indo-China
the most French
country.*

Of all the French colonies, Indo-China is at once the most important and the most successful. It consists of the Colony of Cochin-China and the Protectorates of Cambodia, Annam, Tonkin, and Laos; it occupies an area of 270,000 square miles and contains about 20,000,000 inhabitants. The conquest of the country occupied nearly thirty-five years, Cochin-China having been acquired in 1861, and Tonkin, which was made a French Protectorate in 1884, finally pacified in 1897.

*conquest
extended from
1861 - 1897*

Fifteen years ago the evil condition of French Indo-China was the favorite theme of every French writer who found himself out of sympathy with the growing colonial ambitions of France. Even those who advocated a policy of French expansion in the Far East and hoped to find in Further India some compensation for the loss of that great

empire which had been created by the genius of Dupleix were forced to realize that the founding of an important Asiatic colony at the end of the nineteenth century presented difficulties differing in character but not in magnitude from those which had been encountered in earlier times.

The mere acquisition of Indo-China, notwithstanding the increased disparity between the fighting capacity of the Asiatic and of the European which has followed the application of science to modern warfare, had proved a difficult and costly undertaking. But the military problem, which affected simply the occupation of the country, had been completely thrown into the shade by the administrative problem; and the working out of the latter was to determine whether the Colony should be a source of strength or of weakness to the mother country, a profitable or an unprofitable investment from the standpoint of the general interests of France. At first there appeared to exist no reasonable ground for any hope that France was destined to be more successful in Indo-China than she had been elsewhere. Frenchmen showed no desire to emigrate to the Colony or to invest their capital in its industries. Such interest in its affairs as found expression from time to time in the French Press rested almost entirely upon political considerations; and the French people at large were too much occupied with the dazzling prospect of extending French influence in Africa to spare a moment's thought for the unexciting task of

*Apology of
France toward
Indo-China*

developing the resources of territory already under their flag in Asia.

In the early nineties the actual state of French Indo-China was sufficiently discouraging. During the eight years 1887-95 France had been called upon to cover deficits in the Local Budgets to the extent of forty millions of francs—an amount which brought the total cost of the Colony to the mother country in the thirty-five years which had elapsed since Admiral Rigault de Genouilly destroyed the forts of Saigon to the enormous sum of 750 millions of francs, roughly to £30,000,000. In 1896 it became necessary to raise an Indo-Chinese loan of eighty millions of francs in order to discharge pressing obligations and to meet the cost of important public works of which the Colony stood in urgent need. In the domain of administration the conditions were most unsatisfactory. Very few of the French officials possessed a competent knowledge of the native languages; the Civil Service was recruited largely under a system of direct transference from the Home Service and by the temporary appointment of military and naval officers, with the result that many important posts were filled by men who not only had no special familiarity with the people and the institutions of Indo-China, but were completely ignorant of the general principles of colonial government. The few men who were really competent to formulate the policy and to direct the administration of the local Government were frequently passed over by the

are colonial
system of
France until
recently.

Colonial Office in order that places might be found for the relatives and friends of persons having strong political influence in Paris. Perhaps the most significant symptom of the mismanagement of the Colony's affairs was that the people had lost confidence in the administration of justice and had practically ceased carrying up important civil disputes for settlement by the Courts.

In the year 1893 Tonkin, in which civil government had been in operation for seven years, was still in a state of disorder and was patrolled by military columns; in Annam and in Cambodia the French Protectorate was merely nominal, and no French administration existed; Laos had just been acquired; and Cochin-China, the only Province in which there was any effective civil establishment, was beginning to agitate for separation from the Colony. To complete this sketch of French Indo-China as it was in 1893 (and I may mention that my facts are taken exclusively from French sources) it is only necessary to add that a stagnant local trade was almost entirely in the hands of foreigners, and that, of the external commerce of the Colony, the share of France was less than one fifth.

It is not enough to say that French Indo-China is to-day one of the most important Colonies of France, that it has attained a degree of prosperity which the most ordinary prudence in the direction of its affairs should suffice to increase from year to year; in order to do justice to the remarkable progress which has been made in the past decade,

emphasis must be laid on the fact that there is no record of any Colony whose whole character has been so completely changed in so short a time. The commercial changes, though interesting in themselves, are the least important of those which have taken place, and they may be briefly dismissed. The value of the total exterior commerce of the Colony increased from 162 millions of francs in 1893 to 400 millions in 1902. Of these sums, the share of France increased from 30 millions, or less than one fifth, to 148 millions, or more than one third. It is true that a certain proportion of these increases may be attributed to the importation from France on Government account of large quantities of material for Public Works; but, on the other hand, the exports of the Colony doubled in value in the ten years under review, and the value of the exports to France increased very nearly fourfold. In the same period the value of the coasting trade rose from 54 millions of francs to 156 millions.

But it is the administrative reforms effected since 1897 which have the chief claim on our attention, for they represent, both in regard to their operation and the manner in which they were introduced, a new and highly significant element in the colonial expansion of France.

In December, 1896, M. Paul Doumer was appointed Governor-General of Indo-China. He found the office one of comparative insignificance; he left it five years later one of the most important and active posts within the gift of the French Gov-

ernment. Shortly after his arrival in the Colony he formulated a programme of reforms, of which the principal items were :

1. The improvement of the financial situation of Indo-China, and the creation of a financial policy suited to the country and its needs.
2. The pacification of Tonkin.
3. The organization of a Government-General.
4. The completion and the reform of the administrations of the Protectorates.
5. The extension of the influence of France and the development of its interests in the Far East, particularly in the countries adjoining the Colony — that is, in Siam and China.

Of these matters, the organization of the Government-General was at once the most difficult and the most urgent. Before 1897 the Governor-General administered the affairs of Tonkin, but he did not govern Indo-China ; his duties were chiefly local, and he had at his command neither the staff nor the financial resources for exercising any general control over the administration of the territories forming the Colony. M. Doumer laid down the wise principle that it was the function of the Governor-General to govern the whole of Indo-China, but to administer no part of it ; and the first of his reforms was the delegation of his administrative powers in Tonkin to a Resident Superior. He was then free to turn his attention to the formation of a General Government and to the creation of a budget for its support.

The first step was to constitute a Legislative Council, and for this purpose the Superior Council of Indo-China, which had never been much more than a name, and had actually ceased to exist after the formation of the Council of the Protectorate of Tonkin, was re-created and endowed with extensive powers. It consists at the present time of the Governor-General, the Military Commander-in-Chief of Indo-China, the Commander-in-Chief of the French Naval Squadron in the Far East, the Secretary-General of Indo-China, the Lieutenant-Governor of Cochin-China, the Residents Superior of Tonkin, Annam, Cambodia, and Laos, the heads of departments of the Government-General, the President of the Colonial Council of Cochin-China, the Presidents of various Chambers of Commerce and Agriculture in the Colony, four native members, and the Chief-of-Cabinet of the Governor-General, who acts as its secretary. This body passes the general budget and the local budgets and advises the Governor-General in regard to local legislation and on such matters as he may lay before it. For the better dispatch of business there are four committees of the Superior Council. The first deals with military and naval affairs, public works, railways, commerce, and agriculture, the second with legislation and administrative organization, the third with the budgets, the fourth with other financial matters; and there is in addition a permanent commission which acts as an Executive Council.

The building up of a General Government occu-

pied the Governor-General and the Superior Council for more than two years. The general services placed under the direct authority of the Governor-General are the military and naval services, the judiciary, the departments of civil affairs (corresponding to a Ministry of the Interior), financial control, excise and customs, public works, agriculture and commerce, posts, telegraphs, and telephones, and the Cabinet of the Governor-General, which is a central department composed of four bureaus, — political, administrative, military, and secretarial. Viewed from the administrative standpoint the Government-General of Indo-China resembles in a general way the Federal Government of the Malay States, but it is more elaborate, and in the Superior Council it possesses a legislative body which does not exist at present in the Malay Peninsula.

In order to provide for the expenses of the newly-created Government a general budget was instituted in 1898. The principle on which the new budget was, so to speak, carved out of the various local budgets was this, that money raised from indirect taxes should go to the former and that the latter should depend on direct taxes.

The budgets for 1904 balance at the following figures : General budget, sixty-five millions of francs ; Cochin-China, ten millions ; Tonkin, ten millions ; Cambodia, five millions ; Annam, five millions ; and Laos, two millions, — a total of ninety-seven millions of francs, roughly £3,800,000.

*el government
icted and
ified.*

The most radical changes have been effected in the organization of Indo-China by the above reforms. The independence of the local Governments, which had been allowed to reach a degree at once absurd and pernicious, have been wholesomely restricted; the divided and conflicting activities of the five States have been coördinated and unified; and whilst there has been introduced in regard to those matters which concern the common interests of the Colony a centralization of control, affairs of a purely local character, which from the varying local conditions would suffer from rigid uniformity of treatment, have been left entirely in the hands of the local administrations. The full significance of this transference of powers becomes apparent when it is recalled that, whereas before 1898 each territory of the Colony controlled its own revenue and expenditure, the budgets of 1904 assign sixty-five millions of francs to the General Government and only thirty-two millions to the five subordinate Governments.

Considerations of space forbid an analysis of the important changes in the public services which have accompanied these alterations in the political structure of Indo-China; nor can more be said of the other items of M. Doumer's reform programme than that, where complete success has not yet been achieved, the path of achievement has been clearly indicated.

That the administration of justice has been improved; that a better tone prevails in the civil

services; that the nominal protectorate over Cambodia, Annam, and Laos has been converted into an efficient control; that many grave abuses have been removed; and that the reputation and prestige of the Colony have greatly advanced during the past few years, is admitted even by those to whom the drastic methods of M. Doumer have given the greatest offence.

The broad facts which stand prominently forth are that Indo-China has at last become self-supporting and that France, so far from having paid anything during the past five years towards the maintenance of the Colony, has actually received from the Colony more than forty millions of francs by way of military contribution — results which have been obtained whilst the rate of taxation has been kept within reasonable bounds.

*Indo-China
was
profitable to
France.*

I have said above that the events of the past decade in Indo-China represent the growth of a new and significant element in French colonization. To those familiar with the over-sea history of France the spectacle of the Governor-General of a French colony effecting radical reforms in the face of strong local opposition is as novel as it is refreshing. That the home authorities should have given a free hand to M. Doumer in Indo-China and to General Gallieni in Madagascar and that these gentlemen should have retained their posts long enough to carry out their plans must appear little less than miraculous to any one who knows how much political intrigue lies beneath the surface

of French colonial life. This mixing up of colonization and politics is the rock on which nearly every French colonial enterprise has been wrecked ; and even if it could be shown that the work of M. Doumer was worse than his worst enemy believes it to have been, it would still be an extremely healthy sign, as far as the colonial policy of France is concerned, that he should have been allowed to do it.

The most superficial student of colonial administration could easily find material for an unfavorable criticism of Indo-Chinese affairs. The tariff regulations are obnoxious, and they have greatly retarded the economic development of the country ; there are far too many Europeans in the Government service ; the lower ranks of the European staff are filled with men of inferior character and ability ; the police organization is inefficient. If I have laid no stress upon these defects and upon others equally apparent, if less serious, it is because the colonial shortcomings of the French have been so continually pilloried for the delectation of the Anglo-Saxon public that the story of reform has appeared more attractive to me, from considerations of novelty as well as of justice.

No one could visit Indo-China to-day without carrying away with him a great respect and admiration for the genius which has been displayed in beautifying the country whilst covering it with public works of the highest excellence and utility.

It has been noted time and again by writers on

French colonization that the French are not a colonizing people in the sense in which we apply the term to the English.

There has never been a time in French history when colonial enterprise has been a national movement. The acquisition of Colonies has always ministered to the French love of glory and display; there has never existed in the French character anything to which the hard, unromantic work of colonial development could make an appeal.

The student of British Imperialism can scarcely fail to observe that English colonization in the nineteenth century was largely a question of making a virtue of a necessity. The law of primogeniture detached the younger sons from the family estates; in a lower rank of society the pressure of population acted as a powerful stimulant to emigration; thousands no doubt left England to find a more congenial climate.

Necessity of British colonization in 19th century.

In France these motives for taking up colonial life have been entirely lacking. A country in which the law of inheritance gives every man, woman, and child a vested interest in the soil, in which the number of the population is nearly stationary, a land endowed in a higher degree perhaps than any other with everything which goes to the making of an attractive place of residence, can offer its Colonies but little in the way of colonists.

French have not the motives for expansion that England has.

It was Bismarck, I believe, who described the colonial affairs of the three Great Powers in the

epigram, "England has colonies and colonists; Germany has colonists but no colonies; France has colonies but no colonists."

It is abundantly clear that Frenchmen are unwilling either to seek a livelihood in the French Colonies or to invest their capital in colonial industries. That a certain number of Frenchmen have been induced by the payment of enormous subsidies to various enterprises to go to the French Colonies, and to take their capital with them, does not alter the fact that there is little emigration to "France-beyond-the-Sea" which does not rest in a greater or less degree upon State aid in one form or another.

So with Indo-China, the reforms of M. Doumer, which have accomplished so much in the direction of improving the administration and finances of the Colony, have done very little towards satisfying its greatest needs — French colonists and French capital.

to China
need be
used to
ign capital
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uch will
emigrate.

What remains to be done is to throw the Colony open to foreign enterprise, to remove the pernicious customs regulations, and thus to give others an opportunity of undertaking the work of development which the French seem unwilling or unable to carry out.

With others to lead the way, and with achieved success to reason from, the Frenchman might be persuaded to follow. Even if this hope were not realized, the general advantages which would result from the investment of large foreign capital would

in themselves be sufficient to bring great prosperity to what is potentially one of the finest Colonies in the world. ✓

CHAPTER IX

JAVA

WHEN the Dutch people entered the field of colonial enterprise, at the beginning of the seventeenth century, the Spaniards and the Portuguese had already been engaged for more than a hundred years in the work of Asiatic and American discovery, and they had divided the globe into two hemispheres of exploitation, the Western falling to Spain, the Eastern to Portugal — an arrangement which was sanctioned by a Papal Bull of Pope Alexander the Sixth.

Both in regard to the motives from which they entered upon this new phase of national activity, and to the methods which were adopted for carrying out the nation's policy, the Dutch represented influences which differed completely from those which had hitherto directed the course of modern colonization.

The Portuguese had been inspired by the pure spirit of adventure and exploration; and the origin of the colonial empire of Portugal is to be sought rather in the personal tastes of Prince Henry the Navigator than in any national desire for territorial expansion. It is true that at a later date commerce became the chief motive for the extension of Portu-

the Dutch
colonization
not 1600.

the Portuguese
colonization came
from adventure

guese authority beyond seas, but it was not until the influence of the early explorers had died out that Portuguese colonization assumed the character of a trade investment.

Spain commenced her career as a colonial power by the acquisition of the Canary Islands in the middle of the fifteenth century; but it was the discovery of the New World by Columbus, the Genoese sailor, under Spanish patronage, which led to the first substantial additions to Spanish territory. Until within comparatively recent times trade had no place in the colonial undertakings of the Spaniards; the driving force of their empire was supplied by the missionary's zeal for the soul of the heathen, and by the greed of the adventurer for the precious metals.

Spanish extension largely inspired by missionary zeal and greed for gold.

In the sixteenth century a large Oriental trade had sprung up under the Portuguese flag, and the Dutch cities of Antwerp and Amsterdam, supplied by Dutch ships through the port of Lisbon, had become the distributing centres for Northwestern Europe. About the middle of the century the Dutch commenced their great revolt against Spain for national independence, and in 1579 the United Provinces were proclaimed a Republic. Although the war with Spain involved a great expenditure of men and money, the new Republic was able to maintain itself so long as its connection with Portugal gave it the handling of the Oriental trade. But in 1580 Portugal was annexed to the Spanish Crown, and five years later the Spaniards seized and confiscated

Dutch ships distributed products of Orient from Lisbon through Europe.

Holland maintained independence of Spain after 1579 by handling Oriental trade through Portugal

all Dutch ships lying in Spanish and Portuguese harbors.

*the had to
net to Spain
capture her
usual trade.*

This act presented a clear issue to the Dutch people. Either they must submit to the destruction of their principal source of prosperity, or they must break the Spanish monopoly of Oriental commerce. The former course meant nothing less than national ruin; the latter could be accomplished only by going to war with Spain in the Eastern seas, and engaging in the wholesale trade with those countries which hitherto they had reached through the medium of Portugal.

The people rose to the occasion, and at the close of a struggle which lasted seventy years they found themselves masters of the East Indian Islands, and one of the foremost colonial powers of the time.

*the motive
colonization
travels
commercial*

One of the most striking characteristics of Dutch colonial enterprise is the entire absence, throughout almost the whole range of Dutch colonial history, of any spirit of Imperialism or any desire for territorial aggrandizement. Forced into a career of colonial adventure by the threat of commercial extinction, the Dutch made the most determined efforts to confine their colonial establishments in the East within the compass of a few fortified trading-posts; and although, in common with all other nations, they discovered that there existed between the spirit of independent native rule and the spirit of commerce an antagonism which made conquest the only practicable road towards trade intercourse, they steadily resisted every extension of their au-

thority which was not absolutely necessary, and acquired territory only when the clear alternative was presented of abandoning their warehouses.

The nineteenth century — which added more than three million square miles to the colonial empire of France, and twice that area to the British dominions ; which saw the creation of a German colonial realm, with an area of a million square miles, and the addition of 130,000 square miles of over-sea territory to the United States — made to the Dutch colonial empire, as it was at the end of the Napoleonic wars, the single important contribution of Sumatra. The Imperialism which gave to France Suffren and Dupleix, to England Hastings and Clive, finds no place in the annals of Dutch expansion ; in that long record the greatest names are those of Daendels, who adapted to Dutch undertakings in Java the native institution of forced labor, and of General van den Bosch, who organized the culture system in the Island. This lack of great military achievement in the story of Dutch intercourse with Java, so far from detracting from its interest, endows it with a peculiar attraction for the student of colonial affairs ; for it affords the spectacle first of a great trading corporation, and later of a national Government devoting its whole energy to the purely administrative measures which were deemed essential for the accomplishment of the aims of a definite and unchanging policy.

The Island of Java was the first acquisition of the

*Sumatra only
colonial
acquisition
of Dutch in
19th century*

Dutch, and it has remained to the present day their most important Colony. It has an area of 50,554 square miles (about equal to that of England), a population of 30,000,000 (somewhat less than that of Italy), and its external trade reached a value in 1901 of \$119,000,000 gold — nearly equal to that of the external trade of Cuba.

The Dutch established themselves in Java during the early years of the seventeenth century, and Batavia, which has always been the capital of Netherlands-India, was founded in 1619.

In order to understand the peculiar circumstances under which the Java trade was created, some reference must be made to the native organization which existed in the Island at the time of the Dutch occupation.

After fourteen hundred years of Hindu domination Java succumbed in the fifteenth century of our era to a Mohammedan invasion, and when the Dutch arrived in the Island they found it split up into a number of small States under Mohammedan rulers, most of whom were nominally the vassals of the powerful Sultan of Mataram in Central Java, but who, in point of fact, maintained an absolute rule over their districts.

The natives were simply the slaves of their rulers; they enjoyed no property rights either in the land or its produce, and from this cause alone the Dutch found it impossible to enter into direct commercial relations with the people themselves. The only alternative was to deal with the Sultans,

and here the Dutch were confronted with two serious obstacles — one, that some of the Sultans preferred to trade with the English, who had secured certain privileges in the Island ; the other, that the utter unreliability of the native rulers in matters of trade introduced into all transactions an element of uncertainty which constantly threatened the Company with serious losses.

By the conquest of the Sultanates and the establishment of Dutch authority it was hoped that the English competition could be killed and the trade placed on a satisfactory footing. Accordingly, in 1618, the State of Jacatra was conquered, and by the middle of the seventeenth century nearly one fifth of the Island was under Dutch control.

Under the Dutch East India Company, which controlled the affairs of Java until the end of the eighteenth century, the sole object of the administration was to secure the greatest possible profits to the shareholders ; and when the Dutch State supplanted the Company as the directing authority this object remained paramount to all others, the nation merely taking the place of the shareholders as the beneficiary body. It was not until after the constitutional changes of 1848 had crowned the efforts of the Liberal party in Holland that Dutch colonial policy began to lose its quality of ingrained selfishness ; it was only in 1876 that the last contribution was made from the Treasury of Batavia to that of The Hague ; it was not until 1903 that a law was passed in Holland providing that in future the

Dutch Indies should enjoy the whole of their local revenue.

the East India
Company
controlled
from 1602-1795.

Company's
administrative
measures
caused
natives suffered
from their
own social
organization.

The history of the Company's rule in Java (1602-1795) discloses two facts of great significance in relation to the control of tropical dependencies — one, that the difficulties under which the Company labored during the greater part of its existence, and its final complete downfall, were due to faults in the Dutch administrative methods; the other, that the great hardships and sufferings which the natives endured until within recent times were occasioned by the vices inherent in the native organization. These two sets of failings reacted upon one another in the course of time, and each aggravated the evils produced by the other; but the broad fact remains that in the contact between the natives and the Dutch each side paid the penalty of its own peculiar defects. The object of the Dutch was trade; the affairs of the Company were regulated by a committee of tradesmen in Holland and administered by a staff of tradesmen in Java. In these circumstances it might have been expected that, in so far as the business of the Company related to merchandise, it would be conducted on principles not less intelligent than those which guided the commerce of those days, and that, in so far as it related to government, it would be committed to the guidance of men specially qualified to undertake the definition and execution of a wise policy. In regard to each of those matters the Company failed lamentably. Unable to enforce its mo-

monopoly of the Eastern trade to the extent of killing foreign competition (a measure for which the action of other nations afforded ample precedent, and the trade conditions of the period some reasonable excuse), it made it completely operative as far as its own countrymen were concerned. It rejected the advice of Governor-General Coen, who favored a free immigration of Dutchmen to Java in the capacities of planters and small traders, and thereby lost an opportunity of eliminating the native middleman and of throwing the burden of production on men whose interests would always lie in the direction of a rapid development of the Island's resources; advantages which would have relieved the Company of many of its political difficulties, and would still have left in its hands the complete monopoly of the trade with the mother country.

But it is in the domain of internal administration that the Company's rule in Java exhibits the greatest faults of policy and mechanism. It became clear at the very outset that, owing to the peculiar local conditions, the application of all measures having as their object the collection of trade products for shipment to Europe would have to be intrusted almost entirely to native agents. To have attempted any close control or supervision by Dutch officials would not only have defeated the main purpose of the Company, by depriving the native middleman of that opportunity for extortion which alone caused him to exert the necessary pressure upon the cultivator, but, in order to have been in any

degree effective, would have involved an expense quite beyond the ability of the trade to bear. The obvious course to pursue under such conditions was to offset the evils which lay in the necessity of employing an incompetent and dishonest native organization by appointing men of ability and integrity to handle the trade as soon as it came under direct Dutch control, and by concentrating the energy and intelligence of the local administration in an effort to secure the greatest possible quantity of the best possible products for the European market. By adopting the short-sighted policy of paying the lowest salaries which would secure the services of any person out of work in Holland, the Company destroyed its only chance of permanent success. It is almost incredible that a great enterprise such as that which the Company had undertaken in Java should have been placed in the hands of men the great majority of whom received salaries of less than £100 a year, half of which was held in Holland as deferred pay until the completion of the term for which the official was engaged. The Governor-General himself received a salary of £1200 a year, less than that of the present Second Secretary of the General Post-Office in London.

The effect of this parsimony was twofold — on the one hand, the Company failed to secure the class of man which its difficult position most urgently demanded; on the other, the utterly inadequate salaries made incompetence probable and dishonesty certain throughout the service. The

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Company itself has thrown the best side-light on the character of its own servants. In order to check the extravagance in vogue amongst the officials in Java, it passed sumptuary laws forbidding the wearing of jewels, prescribing the kind of carriage in which officials might travel, and limiting the number of horses which might be attached to the vehicle — extraordinary precautions to be taken for the discipline of men drawing pay equal to £50 a year. When it was found that these regulations failed to bring the officials to a due sense of their official poverty, the Company changed its tactics, and, instead of trying to check dishonesty by restricting the uses to which stolen money might be put, estimated the amount which each of the higher officials was stealing, and then made him pay into the Government Treasury a certain proportion of it. It is not necessary to go beyond the general character of the Company's administration to find a cause for the bankruptcy which overwhelmed it in 1793.

*Attempt to
check officials
graft by
sumptuary
laws.*

Before passing to a consideration of the native organization through which the Company reached the Javanese cultivator, attention may be directed to a truth which the growth of morbid altruism in recent times has done much to obscure. Current literature in England and in the United States, in so far as it has dealt during the past decade with questions of colonial government, has shown an increasing tendency to emphasize the arbitrary and oppressive character of white rule in the tropics. It

cully European
colonial
administrations
far better than
native regime.

is true that this criticism has been made for the most part by men who have had little or no experience of colonial life, and whose studies have been generally confined to ferreting out isolated instances of misgovernment for the purpose of condemning colonial enterprise; but it has, nevertheless, exerted a considerable influence on public opinion, especially in America. The plain fact, which is familiar to every one who has made a study of native institutions in the tropics, is that, with very few exceptions, each European Government which has been established in the tropics since the beginning of the seventeenth century, however selfish, brutal, and ignorant it may appear when compared with the best extra-tropical Governments of the same period, has been wise, liberal, and beneficent in comparison with the native Government which it replaced.

even Dutch
authority needed
to make natives
accept trade
agreements

When the Dutch arrived in Java the native organization was such as to exclude the possibility of conducting any trade with the individuals forming the population. The country was split up into a number of native States under the rule of Mohammedan Sultans, and in these States trade hardly existed. Under the native custom, which deprived the people of every property right in the soil and its produce, production was confined to supplying the barest necessities of the cultivators and the deliveries of food, cloth, and other commodities exacted by the Sultans and their officials. The natives, who were oppressed by the operation of a rigid system of debt-slavery, and whose time was

eaten up by the demands of their rulers for free-labor services, could be reached only through the medium of the Sultans; and at first the Dutch attempted to found a trade by entering into agreements with the Sultans for the delivery, at fixed prices, of certain quantities of products suitable for the European market. But it was found in practice that only by conquering the Sultans and placing them under Dutch control could they be induced to fulfill their agreements, and thus the trade grew *pari passu* with the spread of Dutch authority.

The system which was then introduced supplied the trade products in two ways, by means of "contingents" and "forced deliveries." The former were certain quantities of products paid by the native rulers to the Company as tribute; the latter were further quantities of products called for by the Company, which the native ruler had to find and to sell to the Company at a price agreed upon. It is seen, therefore, that the trade rested upon a political rather than upon an economic basis. Although attempts were made from time to time to limit the authority of the Regents (the title which the native rulers held after their submission to the Company) and to save the cultivators from oppression, it may be said that the custom of the Company was to leave the whole control of production to the native organization, and to interfere only when the supply of products fell short of the amount demanded. The relation between the Directors in Holland and the cultivators in Java was

"Contingents" and
"forced deliveries."
Amount of produce
had to be set by
Dutch authorities

established in the following way: The Directors informed the Governor-General as to what products were required in Holland; the Governor-General instructed the Regents to furnish them as "contingents" and "forced deliveries;" the Regents, acting as the agents of the Company in its capacity as lord of the soil, distributed the land to the cultivators on the condition of their supplying the products demanded by the Company; and the cultivators grew the crops. The cultivator suffered chiefly because the demands made upon him by the Company increased at every stage of their transmission down the line of the native organization, until they provided handsome returns for each native official who handled the delivery of the products up the line to the Company's receiving agent.

It is impossible to gain any insight into the financial affairs of the Company during any period of its existence. Not only was the utmost secrecy observed in regard to all transactions, not only were the shareholders themselves kept in complete ignorance of what was going on in the Indies, but two sets of books were used, one relating to the Company's affairs in India, the other to its home operations; and between these no balance was ever struck. We know that the Indian accounts were always carelessly, and often dishonestly, kept, and that no efficient audit was ever carried out; we know that in some years dividends were declared when there were no profits, and that in other years no dividends were declared when profits were made; we know

that during the seventeenth century the Company's trade generally yielded a profit, and that during the eighteenth century a decline in prosperity occurred which culminated in the bankruptcy of 1793. But beyond these general facts little accurate information of any importance is available.

In 1795 the administrative functions of the Directors were assumed by the State, and three years later the Dutch East India Company was finally abolished. Its epitaph has been written by the eminent Dutch publicist De Louter :

To the day of its downfall the Company remained faithful to its origin. It was a company of brisk and energetic tradesmen, who, with profits as their lode-star and greed as their compass, obtained, through the chance of events, absolute control of one of the most beautiful and fertile regions of the earth, and unhesitatingly sacrificed it to their low ideals.¹

The history of Dutch administration in Java since the downfall of the Company falls naturally into three periods—the transition period from 1795 to 1816, during which, as an incident of the Napoleonic wars, the Island was for five years under British rule; the period of Crown control from 1816 to 1848; and the reform period, which commenced in 1848, as a result of the constitutional changes in Holland, and has continued down to the present time.

Although the first of these periods is full of

¹ Handleiding tot de Kennis van het Staats-en Administratief Recht van Nederlandsch-Indië. Fourth Edition, p. 59.

*British
controlled Java
for five years
in early part
of century*

interest, because it includes the work of Marshal Daendels, and of Sir Stamford Raffles, the Lieutenant-Governor during the British occupation, it does not lend itself to precise treatment in a short essay; and its character is that of all periods of transition, in regard to which the student of later conditions seeks rather to learn what general principles were evolved through the strife of conflicting theories and influences than to gain any deep insight into the process of interaction. Two residual principles of the transition period exerted a profound influence on the course of Dutch policy in Java. One was laid down in the instructions of the State Commission, which was appointed in 1802 to report on the condition of Java and to suggest the best measures for its future government — that the object of the Dutch Government in its relations with Java was to secure the greatest possible benefit to the trade of Holland and the greatest possible advantage to the finances of the mother country. The other principle was that on which Marshal Daendels founded his whole administration, namely, that in extending their sovereignty the Dutch should exact from the people all those feudal services which had formerly been yielded to the native rulers; in other words, the utilization of the native institutions of forced labor and State ownership of the soil.

It was during the administration of General van den Bosch and his successors that these principles found their most complete expression in the mea-

asures of the Government. Of these the most important was the culture-system, which was introduced by van den Bosch in 1830, and remained *The "culture System", 1930.* for nearly forty years the chief concern of the local administration. The theory on which the system rested was this: Instead of paying to the Government, as formerly, two fifths of their main crop as land rent, the cultivators should place at the disposal of the Government one fifth of their laboring hours and as much of their land as could be cultivated by that amount of labor. The Government would pay a fixed price for the products delivered to it and would bear the loss due to bad crops when the cause was other than the neglect of the laborers. The advantage which van den Bosch hoped to reap from the system was that valuable products suitable for the European market would be grown under skilled European supervision and would yield a handsome profit, after all expenses of administration and purchase had been discharged; the advantages he promised the cultivators were such as would arise from an intelligent direction of their labor in the cultivation of crops, for which, even at the low rate offered by the Government, they would receive a much larger return than from the sale of their ordinary rice crop.

In order to make the system a financial success, it was necessary to enlist the active sympathy of the higher class of natives, and to make it worth the while of the Dutch officials to exert a constant pressure on the native organization. To achieve

these ends an important change was made in the position of the native rulers. Formerly the practice had been to alter the title of each Sultan whose territory was conquered by the Dutch to that of Regent, and to allot him a salary as a servant of the Crown. Van den Bosch secured the assistance of the Regents by restoring to them part of the powers and privileges which they had enjoyed as petty rulers, and by assigning to them the control of large tracts of land in place of salaries. These concessions were well calculated to bring the Regents into line with the Government's policy; for the former meant an increase of prestige, and the latter carried with it the power of taxation and the resumption of the old feudal rights over the people. The land grants, moreover, were not confined to the Regents, but were carried as far down the line of the native organization as they were likely to be of advantage. As far as the Dutch officials were concerned, their help was secured by the payment of a percentage on the value of all crops raised in their districts, and by a tacit understanding that as long as the yield of export products was maintained at a high figure they would not find their general conduct subjected to a very close scrutiny.

It would be difficult to exaggerate the evils which arose from these causes alone. Small as had been the control exercised by the Dutch over the treatment of the cultivators by the Regents, it had represented a certain restraint which was now wholly removed. The abuses of power by the Dutch offi-

Much power
restored to native
rulers.

cials had stopped at the point where their interests clashed with those of the Regents; these interests were now reconciled by the advantages which each side hoped to enjoy under the culture-system; and the faults of the lower native organization, instead of being checked to some small extent by an opposition of the two controlling authorities, were intensified by their conjunction in a common cause.

In order to understand the relation between the lower native organization and the culture-system, it is necessary to describe the former in some detail. It is impossible within a brief compass to separate its functions in connection with the land-tax (which was the principal resource of revenue in the districts where the forced cultures were not undertaken) from those which it performed as the administrative machinery of the culture-system; and there would be little significance in the differentiation, for the abuses of the land-tax administration differed only in form, and not in principle, from those of the culture-system. The conquered Sultanates which formed the Dutch territory in Java had been ruled by the delegation of authority from the ruler to a host of officials. In the long line from the Sultan down to the village headman two fundamental principles had always been observed, one that each official assumed and exercised as great a degree of authority as he dared, the other that responsibility worked upwards and never downwards.

The great bulk of the people of Java lived in

*Villages
self-governing
communities in
extremities of
Island.*

village communities of two kinds. In the eastern and western extremities of the Island the village community was a self-governing unit, in which the principle of election governed the choice of the petty officials. In the rotation of office the people enjoyed a very real protection against the grosser forms of oppression; and although the taxes which were collected by the headman on the orders of the officials of the General Government were generally very heavy, the villages at least enjoyed the privilege of managing their own internal affairs. In Central Java, where the culture-system was most firmly established, the village community was organized on an entirely different basis. In this region the officials of the central native Government, instead of receiving pay from the general revenues of their districts, as was the custom elsewhere, were assigned the control of the land, in consideration of an annual payment to the Sultan's treasury. As the control of the land invested the local officials with all the rights of Government, they were able to exploit their districts with the most merciless severity. All the powers which related to the collection of taxes and to the exaction of forced labor were sublet by the higher district officials to subordinate agents, who, in turn, sublet them to the petty officials in immediate contact with the natives.

*In Central
Java natives
paid directly
over land.*

Under this system the highest bidder became the actual master of the people; and he used his authority for the sole purpose of extorting the

largest contributions in money, kind, and labor, which could be secured without driving the cultivators to exercise the only right they had — that of emigration. It is not difficult to understand how, with a native organization of this kind, the culture-system, which in principle was free from any oppressive features, became in practice an intolerable burden upon the cultivators. *Privileges of collection of revenues farmed out.*

When all allowance is made for the corruption of the Dutch officials, which affected the economic interests of the Dutch Government to a much greater extent than it did the social and political interests of the natives, it is clear that the greatest evils of the culture-system arose from the character of the native organization through which it was applied, an organization which had been developed before the advent of the Dutch, and for which they cannot be held responsible. It is very easy to *blame* *evils of culture system due to native administration* the Dutch Government for its failure to reform the native organization at least to the extent of removing its most glaring faults; but the difficulty of effecting any radical changes in native institutions, which have gradually grown up in the course of centuries, and become part of the native life, is generally underestimated by those who have never had occasion to observe how often it is the case that the lower class of natives in the tropics prefer to endure the worst kind of oppression at the hands of their fellow countrymen rather than have improvements effected by the introduction of reforms by outsiders. It is true that the Dutch never made any

determined and enduring effort in the earlier days of their rule to reform the lower native organization; it is certain that, if such an effort had been made, it would have been rewarded with very small success. The culture-system, with all its faults, achieved the object for which it was introduced. In the thirty-five years of its full operation it contributed to the treasury of Holland more than £40,000,000, representing chiefly profits on the sale of Government coffee and sugar, and this after paying all the expenses, civil and military, of Netherlands-India.

*Dutch colonial
methods
much
improved
since 1854.*

The reform period in the history of Dutch administration in Java dates from the Dutch Constitution of 1848, which took the control of colonial affairs from the absolute power of the King and vested it in the Dutch Legislature. It was not, however, until 1854 that the "Regeerings-Reglement" was passed, which laid down in detail the objects of Dutch rule in Asia, and prescribed the form of government for Netherlands-India. The changes which have taken place in Java during the past fifty years amount, in fact, to a revolution in the ideals and methods of the Government. The Dutch policy, from having been one of the most selfish and conservative of all times, has become liberal and progressive; the higher administration, which was formerly corrupt and inefficient, is now capable and honest; the native organization has become the subject of close study by the Dutch officials, and although the time has not yet sufficed to remove all

its ingrained faults, a steady and constant pressure is being exerted in the direction of reform; and with the opening up of the country by means of roads and railways, and through the spread of education amongst the natives, this pressure is producing effects which would have been impossible in the old days.

The forces of change have been drawn from many sources. The reform and gradual abolition of the culture-system was due in no small degree to the publication in 1860 of Dekker's "Max Haveelaar," which brought home to the Dutch people some of the evils which had arisen through the abuse of the system. The establishment of regular steam communication and of telegraphic connection with Europe, though it has encouraged an undue interference from home in the details of administration, has tightened the chain of responsibility between the local officials and their superiors in Holland. The care which is now exercised in the selection and training of colonial officials and the increase which has been made in their salaries (which are still lower than they should be) have attracted a better class of men to the service. But behind these causes of improvement lie the growth of popular sentiment in Europe in favor of a more liberal spirit in colonial enterprise and the quickened sense of responsibility of the Colonial Powers towards their subject races.

I can deal here with only two features of the present Dutch policy in Java — land-tenure and

Sand Tenure. Civil Service. The central principle of the land-law of Java is that all land, other than the comparatively small area sold outright to Europeans and Chinese in the early days, is the property of the State. In the application of this principle free play is allowed for the operation of the native customs in regard to land-tenure, with the result that all agricultural land, with the exception noted above, is held on hereditary leasehold tenure by individuals, or in communal holdings. The latter form of tenure was greatly extended during the period of the culture-system, because it enabled the Government to deal with the village, instead of with the individual, as the unit of administration — an arrangement which effected a great economy in supervision, by throwing the responsibility on to the shoulders of the village headman. The assessment of the land-tax for the individual holdings follows the method adopted in British India. A careful survey is made of each holding, the value of the crop is estimated, and a tax, varying between six and twelve per cent., is levied, according to circumstances. In the case of land held under communal tenure, the land-tax is assessed in a lump sum on the village lands, and the headman distributes the burden amongst the villagers. The most important feature of the land-law of Java is the extraordinary strictness with which land sales and land leases between private individuals are regulated. Natives may sell their tenure-rights to one another, but the sale of tenure-right by a native to

Most agricultural land worked on lease-hold.

a European, or to a foreign Asiatic, is absolutely prohibited. It is a regulation maintained for the purpose of protecting the native from the loss of his vested interest in the land, and it has been completely successful. It is a policy which differs radically from that of almost every other nation, but there is no reason to doubt that to its enforcement may be attributed in great part the prosperity and contentment of the Javanese peasantry. In the leasing of land to Europeans and to foreign Asiatics a difference is recognized between land already under cultivation by natives and uncleared or waste land. The leasing of cultivated land from natives is hedged about with the most harassing restrictions, and, although the regulations in regard to waste land are more liberal, it is generally felt that the Government has gone too far in its desire to protect the native, and has thereby retarded the development of the country.

The basis of the present regulations for the Civil Service of the Dutch East Indies is the law of 1864, which has been modified during the past forty years only in some minor details. The effect of this law is that no one is appointed to an administrative post in the Dutch East Indies who has not passed the grand examination for officials. This examination is divided into two parts, a preliminary and a final, and covers only the history, geography, ethnology, laws, institutions, and customs of Netherlands-India, and the Malay and Javanese languages. The feature of the examination which at

*Tenure rights
may not be
sold to
foreigners*

*examinations
for colonial
appointment
based on
knowledge of
Javanese
conditions*

once strikes the student is the exclusively local character of the required subjects, and this is brought into greater prominence by the fact that the general education of the candidate is considered satisfactory if he has graduated from a high school. In this respect the examination differs completely from that for our own Indian Civil Service, in which the open competitive examination relates entirely to the general education of the candidates — in a range of subjects as wide apart as Greek history, animal physiology, moral philosophy, and analytical jurisprudence — and knowledge of local institutions, laws, and languages is demanded only in the final examination, after the candidates have been selected for appointment. The difference in principle between these two methods is much greater than appears at first sight. Under the Dutch system, as was pointed out by a special commission in 1899, the candidate gains a knowledge of local detail which is not enough for practical use, and yet could be acquired with much less trouble on the spot, and there is no guarantee of diversity of training, general education, or character. The English system requires these three qualities as a preliminary endowment, and leaves the study of detail to be pursued in India. From the standpoint of the candidate there can be no question as to which is the better method; for in Holland the candidate who is unsuccessful finds himself out of employment, with no other equipment for a career than a knowledge of a great

many things which can be of no possible use to him except in the service which he cannot enter. In England a candidate who fails in the open competitive examination suffers no hardship beyond his failure, for he is in precisely the same position as any student who has followed the ordinary course of a University education.

In dealing with the administration of Java during a period of three centuries within the narrow limits of this chapter, it has been impossible to do more than indicate the general lines of development, and it has been necessary to pass over a number of exceptions to my general statements, both in the field of Government policy and in that of individual character and conduct, simply because they were exceptions. I cannot refrain, in conclusion, from paying a tribute of respect to the General Secretariat of Java. It is undermanned, it is underpaid, it is burdened with an incredible mass of detail, owing to the extreme centralization of the Government, yet in no Colony which I have visited have I seen more perfect methods of work, a more thorough system of records, or a more intelligent appreciation of the functions which belong to a colonial secretariat.

CHAPTER X

THE ACQUISITION OF THE PHILIPPINE ISLANDS

To the student of comparative colonization the entrance of the United States upon a career of over-sea expansion presents none of the elements of abnormality which chain the attention of those who, while attributing to the institutions of the American Government and to the character of the American people peculiar qualities which invalidate every argument based upon the universal experience of other nations, approach the subject from the standpoint of an American history isolated from the general progress of mankind. It is a matter of plain fact that in the whole of recorded history there cannot be found a single instance of a nation which, having reached a certain stage of economic development, has not embarked upon enterprises of territorial expansion, that this phenomenon in the growth of nations has persisted in all climates and under every form of government, that it is common to all races, and that it has been associated with every form of religion, heathen or Christian, of which we have any knowledge. It is not too much to say that no single element in the human character has done more to mould the destinies of mankind than this intimate relation

Colonization
universal
under
certain
conditions

between intellectual and physical vigor and territorial expansion. With these facts in view the impartial observer finds it more natural to link the over-sea expansion of the United States with the continuous chain of human evolution than to regard it as an abnormal sequel to a hundred years of local history.

In order to understand the course of American policy and administration in the Philippines it is necessary to emphasize the perfectly normal character of the undertaking, and to insist that, in so far as the problem of the Philippines concerns the Philippine people, it has presented at no stage a single important feature for which the experience of other nations does not afford a parallel. Those questions which relate to the constitutionality or otherwise of the whole relation between the United States and the Philippine Islands, or of any particular administrative measure, concern the American people alone, and are of no interest whatever to the Philippine natives; and my estimate of American action in the Islands is based not upon any adjustment to an American standard of political principle or conduct, in regard to which there appears to be no small conflict of opinion in the United States, but upon its relation to the economic, social, and political welfare of the Philippine Islands.

When Philippine affairs are thus severed from their unnatural connection with American home politics, and are approached as a problem in

which the end sought is simply the achievement of the greatest good for the Philippine people, the inquiry is raised from the plane of political bickering to that of national statesmanship, and the discussion loses that quality of acerbity which invariably obscures the point at issue, and, in administrative matters, usually paralyzes the constructive forces of the authority finally left in control.

Under the terms of the Peace Protocol of August 12, 1898, the United States was authorized to "occupy and hold the city, bay, and harbor of Manila, pending the conclusion of a Treaty of Peace which shall determine the control, disposition and government of the Philippines;" and under the terms of that Treaty, concluded on December 10, 1898, Spain ceded to the United States the archipelago known as the Philippine Islands. But in the interval which elapsed between the battle of Manila Bay on May 1, 1898, and the signing of the Peace Protocol on August 12, American action in the Philippines assumed definite shape, and the occurrences of that period have exerted the most profound influence upon the whole Philippine situation.

I should be content to pass over the events which preceded the Treaty of Peace as *faits accomplis* were it not that the policy pursued by the United States under its rights as a belligerent, and later under the status established by the Peace Protocol, is marked by those very characteristics which are

American policy
from May to Aug. 98
profoundly
influenced whole
Philippine
situation

so strikingly apparent in the conduct of affairs after the Treaty of Peace had given the United States full power to proceed in all respects as her statesmen might deem proper. Almost every act of the United States in the Philippines, except those of a purely military nature, from the date of the battle of Manila Bay down to the present time, has been characterized by what may be called from one standpoint independence and originality, or, from another standpoint, blindness to local conditions and contempt for universal experience.

This attitude of detachment, alike from the insular environment and from the historical example of three centuries of the failures and successes of others in a similar field, has been the most influential factor in American relations with the Islands; and in order to make the point clear, and to show the continuity of this element in American policy from the very commencement of the Philippine affair, it is necessary to deal briefly with the earlier phases of the Philippine problem.

At the beginning of the year 1898 it was a matter of common knowledge in the Far East that Aguinaldo and his principal adherents, who had left the Philippines in 1897 under the terms of the Treaty of Biac-na-Bató, had decided that the promises of reform, which constituted the Spanish obligation under the Treaty, had not been performed, and that the Philippine Junta had decided to commence another revolution at the earliest favorable moment. Aguinaldo himself never made the slight-

Aguinaldo &
Philippine
independence

It was well-known
in the East that

Aguinaldo
would attempt
Philippine
independence
after 1897.

est attempt to conceal the motive of the proposed revolution, namely, the achievement of political independence for the Philippine Islands; and it is impossible to suppose that the American consuls in Singapore and Hong Kong were not fully aware of his intentions in this respect at the time when the former (Mr. Spencer Pratt) "sought him out . . . as the man for the occasion," and sent him to Admiral Dewey, and the latter (Mr. Rounsevelle Wildman) accepted the post of Honorary Treasurer of the Philippine Patriotic League and drafted the Proclamation which Aguinaldo issued on his arrival at Cavite.

Aguinaldo was taken in an American transport to Manila, was given arms by the American authorities, was allowed to seize Spanish arms in Cavite, and was encouraged in every way to start his insurrection; and these things were done *after* he had publicly issued a proclamation declaring his intention of establishing an independent Philippine Republic. Even if we accept General Anderson's statement ("North American Review," February, 1900) that as late as July, 1898, Admiral Dewey was not aware that the Americans would hold the Philippines if they were captured, and assume that up to that time the Admiral believed that the policy of the United States would be to grant independence to the Philippines, the early treatment of Aguinaldo was a deplorable mistake.

What Admiral Dewey's action amounted to was this, that without any definite information as to

what the policy of the United States would be if the war with Spain involved the capture of the Philippines, he conveyed to the Islands, under circumstances which implied an official recognition of the purposes of the insurgents, the one man who could most seriously compromise the situation, and whose declared aim, if successfully carried out, could only have one of two results, either the recognition of Philippine independence or a war between the United States and the new Republic.

Dewey erred in helping Aguinaldo whether U. S. should hold Philippines or not.

It is true that neither Admiral Dewey nor any other responsible agent of the American Government ever gave Aguinaldo an explicit assurance that the United States would recognize Philippine independence; but in the absence of any declaration of an opposite intention, and in view of the circumstances under which the war with Spain had been undertaken, and having regard to the support and encouragement given to Aguinaldo by high American officials after he had declared in unmistakable terms, and in the most public manner possible, his opinion that the Americans had come to give the Philippines an independent government, it is impossible to accuse Aguinaldo of having put a strained construction upon the attitude of the American officials, or of importing into their acts a significance which could not be fairly attributed to them.

Up to the middle of June, 1898, there appears to have been no official declaration, public or private, of the policy which the United States intended

*Declaration of
America's
purpose toward
Philippines
June 16, 1898.
Day's dispatch*

to pursue toward the Philippines; but on June 16, Mr. Day, the Secretary of State in Mr. McKinley's Cabinet, wrote a dispatch to the United States Consul in Singapore which contained a definite statement of the views of the Administration on the subject of Philippine independence. In the course of this communication Mr. Day said: "This Government has known the Philippine insurgents only as discontented and rebellious subjects of Spain, and is not acquainted with their purposes. . . . The United States in entering upon the occupation of the Islands . . . will expect from the inhabitants, without regard to their former attitude towards the Spanish Government, that obedience which will be lawfully due from them. If, in the course of your conferences with General Aguinaldo, you acted upon the assumption that this Government would coöperate with him for the furtherance of any plan of his own, or that, in accepting his coöperation, it would consider itself pledged to recognize any political claims which he may put forward, your action was unauthorized and cannot be approved."

*U.S. policy not
revealed.*

The first question which naturally arises in regard to this declaration is, Was the policy here outlined communicated to the American naval and military commanders in the Philippines or to Aguinaldo himself? I have been unable to find any evidence that Mr. Day's statement received any greater publicity than was afforded by the correspondence files of the American Consulate in Singapore; in-

deed, there is strong presumptive evidence that it never reached the Philippines through any official channel, for throughout the latter part of 1898 Aguinaldo repeatedly sought to obtain a declaration of American policy in regard to independence, and as late as September 8, General Otis informed him, "I have not been instructed as to what policy the United States intends to pursue. . . ."

The relations between Aguinaldo and the American commanders prior to June 16 fall into an entirely different category from those which existed after that date, for the former represented the personal judgment of individual officers acting largely on their own responsibility, whereas the latter rested on the responsibility of the authorities in Washington, who had formulated a definite policy and were in a position to control the action of their local representatives in conformity with it. It is most difficult, therefore, to reconcile the actions of the military commanders in the Philippines after June 16 with the declaration contained in Mr. Day's dispatch to the effect that no recognition of any kind would be given to the political ambitions of Aguinaldo. I have space only to give two instances of the extraordinary nature of the attitude of the military authorities toward an insurgent general whom the United States had decided not to recognize.

American army recognized Aguinaldo's position

On August 8, 1898, General Anderson wrote, "General Emilio Aguinaldo, Commanding Filipino Forces: Will Your Excellency consent to my occupation of the intrenchments facing Blockhouse

No. 14? . . .” On October 14 General Otis wrote, “General Emilio Aguinaldo, Commanding Filipino Revolutionary Forces: General, it is my desire to place it [a convalescent camp] at a locality which would not inconvenience any organization connected with your forces . . . and to the emergency of this anticipated proceeding I respectfully invite your consideration and ask your assistance should execution become necessary.”

The Philippine situation developed rapidly during the latter half of 1898, and in February of the following year the political aspect of affairs, which had been marked by steadfast progress on the part of Aguinaldo in strengthening his military position and in extending his Government in Luzon and in several other islands, and by a constant repetition on the part of the Americans of vague assurances that the intentions of the United States were highly benevolent, and a careful avoidance of any act or declaration definitely favorable or adverse to the specific question of Philippine independence, was completely changed by the outbreak of war between the two armies. This eventuality had been foreseen for some weeks by each side, and the most ingenious devices were resorted to by the Filipinos to throw the responsibility of the first act of hostility on the shoulders of the Americans. As a matter of fact, the war was commenced by the Filipinos, but only after the American soldiers had submitted, with a self-restraint that cannot be too highly praised, to every indignity and insult which

could be expected to provoke an attack on their part, and it had consequently become clear that if the Filipinos were to get the war started before large reinforcements arrived from the United States, they themselves would have to assume the offensive.

The determination of Aguinaldo to fight the Americans was perfectly natural, in view of what had taken place since the battle of Manila Bay. The confidence which he had at first reposed in the Americans had given way, as months passed without any recognition of his Republic, to suspicion and distrust; and by the beginning of 1899 it was realized by the Filipino leaders that whatever the intentions of the Americans were, they were not such as to encourage the hope for an independent native Government. The only thing lacking to establish completely this view was a definite statement from the United States, and this was forthcoming on January 4, 1899, in the form of a proclamation from General Otis (his amended version of the President's instructions to the Secretary of War) which finally disposed of Aguinaldo's Government by announcing the assumption of the governing power by the United States. After the publication of this proclamation war was inevitable; and the fact that the Filipinos commenced the fighting has no special significance.

The salient feature of American policy up to this point is the apparent neglect of the Government to regard Aguinaldo and his revolutionary programme

*Proclamation
of assumption
of Philippine
government by
U.S. Jan. 4, 1899.*

S. made no
attempt to
negotiate with
insurgents to
win plans for
government.

from the only point of view which could promise any guidance in the circumstances. In dealing with Aguinaldo, after his arrival in the Islands had placed him in touch with his supporters, the question which should have presented itself to the American authorities was not whether his actions justified a belief that he was incapable of maintaining an independent Government, not whether his political mistakes or inefficient administration would afford a good argument *ex post facto* for the American assumption of the Government, but whether, in view of the determination arrived at on June 16, as set forth in Mr. Day's dispatch, that the insurrectionary movement was not to be recognized, Aguinaldo was or was not capable of offering substantial resistance to the American plans. But notwithstanding the frequent reports forwarded to Washington by the military commanders to the effect that Aguinaldo was actually in control of practically the whole of the Islands, and that he had not only placed himself in a strong military position, but had established a Civil Government which was in fact administering the affairs of the Islands, there is no evidence in the material thus far made public that any attempt was made to negotiate with the insurgents or to discover whether an arrangement could not be arrived at which would yield to each party so large a proportion of its extreme objects as to afford a basis for common action.

(It is known now, and might easily have been known at the time, that there was a conservative

element amongst Aguinaldo's advisers sufficiently powerful to have counteracted the influence of the war party if the United States had given it any sort of encouragement prior to the outbreak of hostilities. Nothing of the kind was done, and the policy which was pursued was to disregard the obvious facts in regard to Aguinaldo's ability to offer a serious resistance to the American assumption of the Government, to take an entirely independent course of action, and to allow a similar privilege to the Revolutionary Government.

*War could have
been avoided*

That the war in the Philippines could have been avoided by the exercise of the most ordinary prudence, that it could have been avoided if the advice of any British, French, or Dutch Colonial Governor in the Far East had been asked and acted upon, there can be no possible doubt; and it is not less certain that if the Philippine Commission which arrived in Manila shortly after the commencement of the war had been given the power to act, instead of only the power to talk, the war need not have lasted three months. Considerations of space prevent me from dealing with the conduct of the war; and I must dismiss the subject by saying that if in its political aspects it was little but a long succession of errors, in its practical operations it disclosed a devotion and heroism on the part of the American officers and troops which place the campaign on a level with the most striking achievements of the white races in tropical warfare.

CHAPTER XI

THE GOVERNMENT OF THE PHILIPPINE ISLANDS

IN entering upon the control of a tropical dependency in the Far East, as an unavoidable consequence of the destruction of Spanish authority in the Philippine Islands during the war of 1898, the United States assumed a very serious responsibility towards the seven million people who had formerly been the subjects of Spain.

The problems which confronted the new Government were manifold and intricate, and they were greatly complicated by the fact that the difficulties which always arise when the affairs of one race are administered by the officials of another had been intensified by three centuries of Spanish misrule.

The Philippine Commission, which was sent out to the Islands by the late President McKinley early in 1899 to inquire into and to report on the general conditions existing there, and to suggest measures for the future government of the Islands, arrived in Manila on March 4, 1899, one month after the outbreak of hostilities between the American forces and those of Aguinaldo, the head of the Revolutionary Government of the Filipinos.

The Commission was not invested with any authority to intervene in the military situation, and

*Philippine
Commission,
Mar. 4, 1899,
Wm. H. Taft,
Chairman.*

after spending a month in the Islands, it issued a proclamation setting forth the principles on which the United States intended to proceed in its relations with the Philippine people.

The proclamation, dated April 4, 1899, is of great importance to the student of Philippine history, for it declared in an authoritative manner both the objects of the American Government and the methods by which they were to be attained. It laid down the cardinal principle that "the supremacy of the United States must and will be enforced throughout every part of the Archipelago, and those who resist it can accomplish no end other than their own ruin." And it stated that "the aim and object of the American Government, apart from the fulfillment of the solemn obligations it has assumed toward the family of nations by the acceptance of sovereignty over the Philippine Islands, is the well-being, the prosperity, and the happiness of the Philippine people, and their elevation and advancement to a position among the most civilized peoples of the world."

These ends were to be secured by reform in all departments of the Government, in all branches of the public service, and in all corporations closely touching the life of the common people; by effective provision for the establishment of schools; by making domestic and foreign trade, agriculture, and other industrial pursuits the objects of solicitude and fostering care; by the construction of roads, railroads, and other public works; by the introduc-

tion of a sound system of taxation, under which "it is believed that the needs of the Government will in a short time become compatible with a considerable reduction in taxation;" and by the establishment of an honest and efficient Civil Service and Judiciary.

The changes here outlined were to be effected while granting to the Philippine people "the most ample liberty of self-government which is reconcilable with the maintenance of a wise, just, stable, effective, and economical administration of public affairs, and compatible with the sovereign and international rights and obligations of the United States."

The American Government in the Philippine Islands was wholly military until September 1, 1900, when the military Governor was relieved of the legislative power, which was transferred to the Philippine Commission of which the Hon. William H. Taft was President. On September 1, 1901, the civil executive power was also transferred to the Commission, and that body was enlarged by the addition to it of three Filipino members.

Military government
relieved of all
legislative and
executive powers
by Philippine
Commission
Sept. 1, 1901

Before passing to a consideration of the structure and working of the Philippine Government I wish to make clear a point which is of some importance in relation to any adverse criticism of the American Philippine Administration.

During the time I was in the Islands, in the early part of 1904, I met a great number of American officials, and in my intercourse with them, an intercourse which was marked throughout

by the greatest courtesy and frankness on their part, I was constantly brought face to face with two facts — one, that with very few exceptions the members of the Civil Service were animated by an honest and sincere desire to do the best thing for the general welfare of the Islands; the other, that side by side with this excellent intention there existed an ignorance of the broad established facts in relation to tropical administration, and an absence of information as to the work of the European nations in the neighboring Colonies, which could scarcely fail to impair most seriously the usefulness of the most conscientious and hard-working official.

The effect of this mental condition of practically a whole Government has been twofold. On the one hand, it has involved a groping about for satisfactory solutions of the most elementary problems of administration, which have finally been solved, after great waste of time and energy, along lines already laid down by other nations; and on the other hand, and this is a far more serious matter, it has deprived the Government of any standard of comparison for its work. To give a single example: I was shown in the Philippines some of the most wretched roads I have seen in fifteen years of colonial travel, and was asked with pride whether the English had ever done anything like that for the benefit of their colonial subjects; and when I replied that you could travel a thousand miles in an automobile in the Federated Malay States on

1. American Administration sincere in desire to aid islands.
2. American officials grossly ignorant of experience of other colonial colonies.

1. By refusing to study colonial methods of neighboring countries U.S. officials have had to work out many problems already solved by other nations.
2. Through ignorance of other colonies officials have no standard of comparison for their work.

roads as good as the Massachusetts State roads, my statement was met, if not with absolute incredulity, at least with the last degree of surprise. It was the same thing in a hundred matters. Had any nation except the United States ever given the natives of a Colony any voice in their own government, or given them an honest judiciary, or a good water-supply, or an efficient police force, or ever governed a Colony with any other object than deriving revenue from it? And so on through the whole range of colonial administration! It is obvious that if a body of men, from lack of comparative knowledge, honestly believe that the work they are doing is better than that of all others in the same field, the prospect of improvement originating within the administrative hierarchy is reduced to a minimum.

The evil is one which could easily be removed in the case of men as intelligent and quick-witted as the average American in the Philippines. If, instead of going straight from San Francisco to Manila, the higher officials were ordered to go out by way of Suez, taking a trip through Egypt, Ceylon, and the Malay Peninsula on the way, they would arrive in the Philippines better equipped for useful work than they now are even after some years of residence in the Islands. The experience would not only help toward that breadth of view which is so essential in approaching questions of administration in the tropics, but would give them a sufficient knowledge of the conditions of other Colonies to serve as a standard of comparison for their own

U.S. officials
should go to
Philippines
via Suez.

work. Nearly all the faults of administration in the Philippines are due to one of two causes — either the pernicious influence of American home politics on Philippine legislation, or the narrow vision of the local officials. It is perhaps too much to hope that the former can be removed, but with the elimination of the latter element the evil effects of the former would be greatly lessened.

The present structure of the Philippine Government differs in some material respects from that of any other tropical dependency of one of the Great Powers.

Although at first sight it appears to afford a larger measure of participation to the people of the Islands than can be found elsewhere, the local conditions under which the Government operates, which are inflexible to a degree that can scarcely be appreciated by any one who has not visited the Islands, give the practical working of the Administration a fairly close resemblance to that of a British Crown Colony Government shorn of some of its most important advantages.

The Philippines belong to a clearly defined type of tropical countries. They have a high mean annual temperature and a low social and economic development; their internal trade is insignificant; they depend for their economic welfare on an export trade resting on agricultural industries; nearly all the manufactured articles used in the Islands are imported; the native labor is entirely inadequate for the development of the natural re-

*Physical &
social
conditions
of islands*

sources of the country; the great majority of the people are of the usual lazy, indolent, and thriftless character which distinguishes the native of the tropics; there is a small educated class, but nearly ninety per cent. of the population cannot read and write any language, European or native.

5. As the industry of a people bears a very close relation to their political condition — effective political institutions of an advanced type being found only in countries of advanced industrial development: a low economic condition being invariably accompanied by a low political status — the following figures supply a rough standard by which to measure directly the economic position and indirectly the present political capacity of the Philippines in relation to countries possessing a climate, commerce, and population sufficiently similar in a general way to afford a fair basis for comparison.

It must be borne in mind that in tropical countries, where the internal trade is always insignificant, the value of exports gives a very accurate index to the industry of the people. Basing my calculations on the latest available statistics, the following figures are approximately correct: Value of exports per annum per capita of population in the Philippines, \$5; in Ceylon, \$8.50; in Porto Rico, \$12; in Sierra Leone, \$19; in the British West Indies, \$20; in Mauritius, \$24; in Java, \$25; in British Guiana, \$30; in the Federated Malay States, \$44.

It is seen from the above figures, which disclose the economic efficiency of nine tropical areas

dependent on one or another of the Great Powers, that the Philippines are in a very low stage of economic development. The inference might naturally be drawn that the Philippine people are less able to direct their political and administrative affairs than are the inhabitants of any of the colonies included in the comparison. But this view has not commended itself to the United States; and in a country which is poorer, chiefly from lack of industry in the people, than almost any other tropical country not under purely native rule, inhabited by people certainly not more intelligent than those of the other tropical dependencies referred to above, there has been established a Government more expensive than any other Colonial Government in the tropics, and much more dependent for its efficiency on the coöperation of the natives.

Philippine gov. most expensive of tropical colonies and depends more on natives who are of lowest development

Broadly speaking, the American policy in regard to the control and development of the Philippines is the exact opposite of that adopted by every other nation, in that political development has been taken as the standard of attainment instead of industrial development, in opposition to the universal experience of mankind, that the latter has always preceded the former.

It may be true that it has been advisable from the standpoint of American home politics to place the cart before the horse in this manner, but the consequences will be disastrous to the welfare of the Islands. Lord Curzon, in a recent speech on Indian affairs, has put the matter in a nutshell:

"I do not think," he said, "that the salvation of India is to be sought on the field of politics at the present stage of her development; and it is not my conception of statesmanship to earn a cheap applause by offering so-called boons for which the country is not ready, and for which my successors, and not I, would have to pay the price."

I propose now to compare the structure of the Philippine Government with that of some of the British colonies and dependencies in the Far East. The Government of the Philippine Islands rests with the following bodies, — the Municipal Councils, the Provincial Governments, the Philippine Commission, and the Congress of the United States. The Philippine Municipality corresponds to the New England township, and there are in the Islands 623 Municipalities, and in connection with them about 3600 Presidents, Secretaries, Treasurers, and Clerks, and about 8000 Councilors. All the municipal officials are elected by the people; and any male person of twenty-three years or over, having six months' residence in the Municipality, may vote, provided he held prior to August 13, 1898, any one of certain offices under the Spaniards, or owns five hundred pesos' worth of real estate, or pays thirty pesos or more in taxes, or speaks, reads, and writes English or Spanish.

The Philippine Municipality is simply an advanced type of the village government in Burma, Indo-China, and other Eastern countries, and represents an adjustment to the new conditions of the

*Government of
the Philippines*

*Municipal
organization*

old Spanish municipal organization. These Municipalities would be admirably suited to the needs of the country if the people possessed any political capacity, for, in theory, they raise and disburse money locally for local purposes connected with the daily life of the natives. But the account given of their work in the Philippine Commission's Report for 1903 is most discouraging. The Hon. William H. Taft, writing as Civil Governor, says: "By law the Council of a Municipality is obliged to devote a certain part of the income of the towns to schools, but in too many instances it has developed that, in the anxiety to secure his own salary, the President has induced the Council and the Municipal Treasurer to appropriate from what are properly school funds to pay the salaries of municipal officials. The truth is that the Municipal Governments have not been as satisfactory in their operations as could be wished. By the misuse of the school funds, already referred to, the native school-teachers have been compelled to go without their salaries. The Municipal Police have also gone unpaid, and in many instances had not been made efficient because they were used as the personal servants of the Municipal Presidents."

*Municipal
government
not efficient*

It is when we turn to the Provincial Governments in the Philippines that we find the first radical and important difference between American methods and those of other countries. Under the Provincial Government Act provision is made for the formation of Provincial Boards consisting of a Provin-

*Provincial
government*

Provincial
Governor elected
by Municipal
Councilors;
Supervisor and
Treasurer appointed
by Commission.

Duties

cial Governor, elected for a two years' term by the Municipal Councilors of the Province in joint convention, and the Provincial Supervisor, and the Provincial Treasurer, appointed by the Philippine Commission. At the present time there are forty Provincial Governments in the Islands. The principal duties of these Governments are to levy taxes within certain limitations, to collect all taxes due in the Province, whether on account of Municipal, Provincial, or Insular levy, to direct the Provincial Public Works, and to supervise the Municipal Administration.

Provincial
government vs.
Crown Colony
system.

It is clear that the Provincial Government affords no real representation of the people, since two out of the three members of the Provincial Board are appointed by the Commission; and in this respect 'the Provincial Government embodies the central principle of Crown Colony Government, namely, that the control of affairs rests with appointed, and not with elected officials. But while the system, owing to its non-representative character, does nothing toward educating the people in self-government, it sacrifices the two great advantages of Crown Colony Government, for the element of personal influence is lost where a biennial election regulates the office of Governor, and the administrative authority is weakened when it resides in an official trinity instead of in the person of one man. There is thus change where permanence is most needed, and division of power where efficiency is best promoted by its concentration.

The existence of the Provincial Governments cannot be defended on political grounds, for they possess no political attributes; and in so far as they are administrative machines they perform functions which could be more efficiently and more economically discharged by a single Government official with powers similar to those of a Deputy-Commissioner in Burma. The difference between the duties performed by that official and those of the Provincial Boards in the Philippines lies in two points only. The Deputy-Commissioner is vested with judicial and magisterial powers, neither of which pertains to the Provincial Boards; and in regard to public works, he is relieved by the Public Works Department of the General Government of such duties as fall in that matter to the Provincial Boards. In each respect the advantage lies with the Burmese system.

Functions of Provincial Governments could be better performed by one official.

In a country in a stage of development as low as that of the Philippines or Burma, where the political and administrative capacity of the people, if it can ever reach a useful proportion, must take many generations to develop, the addition of magisterial and judicial powers to the authority of the administrator facilitates the work of Government by simplifying the settlement of small civil disputes and the punishment of lesser crime, and serves a most useful purpose by bringing the chief official in charge of each district into close touch with the daily affairs of the people. As all the judicial and magisterial acts of the Deputy-Commissioner are

Administration by one man can touch life of people more closely than Council.

subject to the review of his administrative superiors, and may be made the subject of appeal to the higher courts, there is little danger of an abuse of power. In the matter of public works it is obvious that the Central Government, from its wider knowledge of the general plans for the opening up of the country and from the greater resources at its command, is better able than a Provincial Board to control and direct public works in conformity with some scheme of development laid down by a body of experts which the Provincial Governments could not afford to employ.

But it is in the higher branches of the administration that the structure of the Philippine Government exhibits its greatest weakness and its sharpest contrast to other dependent tropical governments. It is a universally recognized trait of tropical peoples that they yield their truest loyalty and their best aid in governmental matters when there is at the head of affairs one man in supreme power, whether he be King, Sultan, or Governor. This characteristic, so far from being due to the growth of white domination, is the product of uncounted centuries of native development, before white men ever came into contact with the native Governments; and in attempting to build a tropical Government on the theory that so-called "popular" institutions can ever recommend themselves as an ideal to the natives of a tropical country, the fact is overlooked or ignored that, in the thousands of years during which the natives of the tropics were left to them-

Not popular but
autocratic
government is
best suited to
tropics.

selves, to develop whatever political institutions appeared best suited to them, there was never established a single government which was not purely autocratic in character. 7.

When we attempt to force democratic institutions or corporate government upon tropical peoples we simply assume, without any warrant whatever, that we know better than they do what form of government is best for them. Now not only does the government of the Philippines by a Commission violate the very first principle of successful administration in the tropics by dividing into seven parts the prestige and authority which the natives expect and desire to find in one man; but owing to the dependence of the Commission upon a Legislature thousands of miles away, already overburdened with its own affairs, and composed of men who, however able they may be, have neither the time nor the opportunity of gaining any first-hand information in regard to problems of tropical administration, that confidence which should exist between a people and their Government is noticeably lacking in the Philippines, where it is perfectly well understood by all intelligent people that the Commission governs the Islands only in so far as it is allowed to do so by Congress.

Powers of government too greatly divided and Commission too dependent on Congress.

Shorn of any real authority to determine independently the measures best suited to the needs of the Islands, compelled to legislate with one eye on the American public and the other on Congress, driven to adopt an apologetic tone in regard to all

measures which are likely to arouse public sentiment in the States, the Philippine Commission can neither command the respect of the people nor carry on its own work according to the plain needs of the situation. It has been stated very frequently that as a matter of fact Congress has sanctioned every Act submitted to it by the Philippine Commission. This is perfectly true; but it is not due to Congress adjusting its mind to Philippine legislation, but to the Philippine Commission adjusting its legislation to the mind of Congress.

It is not easy to discern the motives which led to the adoption of a Commission as the governing power in the Philippines. In Cuba General Leonard Wood, as a one-man Government, had achieved one of the most brilliant administrative feats of which the history of white rule in the tropics bears record. It was a piece of work which can only be appreciated at its true value by those who are familiar with the extraordinary difficulties with which General Wood was confronted — difficulties immeasurably greater than those which have been encountered in the Philippines — and with the statesmanlike manner in which they were met and overcome.

With this striking success before it, it is difficult to understand why the Government of the United States should have afflicted the Philippine Islands with a Government which, in its structure, violates every principle that led to such excellent results in Cuba.

The Reports of the Philippine Commission show

*Wood's success
as governor of
Cuba should
have inclined
U.S. to one man
power in
Philippines.*

very clearly the evil effects which result from the Congressional control over Philippine affairs. I select two typical instances — one affecting the relations between the Islands and the United States, the other referring to a question of local internal policy. In the Commission's Report for 1901 occurs the following passage: "If Congress reduce by fifty per cent. the United States duty on tobacco, hemp, and sugar . . . such generosity would much strengthen the bonds between the Filipino and American people, and it is earnestly recommended." In their Report dated November 20, 1902, the Commissioners say: "We respectfully urge the reduction of at least seventy-five per cent. of the Dingley rate of duties upon goods imported into the United States from the Philippine Islands." Finally, on December 23, 1903, the Commission recommends that Congress enact "legislation which shall reduce the tariff on sugar and tobacco imported from the Philippine Islands to not more than twenty-five per cent. of the present Dingley rates on tobacco and sugar imported from foreign countries." Notwithstanding these repeated appeals on a matter of the most vital importance to the Islands, Congress has neglected to relieve Philippine commerce of its most oppressive burden.

One of the most serious obstacles to the development of the Philippine Islands is the law passed by Congress in 1902 limiting the area of public land which may be sold to a corporation to 2500 acres. With a limit of this kind it is impossible to attract

*Congress has
persistently
disregarded
appeals of
Commission
for reduction
of tariff on
Philippine
exports to U.S.*

Corporations should be allowed large land holdings in Islands.

capital for investment in agricultural enterprises, for, with the disadvantages of the country in the matter of transportation facilities and labor supply, it is only by operating on a large scale that any one can hope to secure a fair interest on his investment. The Commission has clearly recognized the necessity of greatly increasing the area of land that may be sold to corporations; and in their Report of November, 1902, and again in their Report of 1903, the Commissioners urge that the maximum be raised to 25,000 acres. This has not been done, and the facts represent a pernicious interference in a matter which is of purely local interest, which should be left to the discretion of those on the spot who are familiar with the local conditions.

Commission hampered by necessity of referring legislation to Congress.

The question of the authority of Congress to control the affairs of the Philippine Islands, and the use to which that authority is put, bring me to the last point I am able to discuss in regard to the structure of the Philippine Government. The reference of every Act of the Commission back to Congress is in itself a serious defect in the Philippine Government, for it hampers the Commission in its legislative work by introducing considerations other than those which relate to the simple need or efficacy of any particular measure; but the fact that Congress directs legislation affecting many of the internal affairs of the Islands is a much greater evil.

The practice of other nations is radically different in this respect from that of the United States.

I may take a British tropical country as a typical instance. In the Straits Settlements, for example, all measures for the government and administration of the Colony are passed by the Governor and his Council, and become law when approved by the Crown. This approval of the Crown is, in fact, a reference to the Colonial Office in London, the Crown always acting on the advice of its Principal Secretary of State for the Colonies. It is evident that the reference of colonial laws to a Colonial Office rests on a principle exactly opposite to that on which they are referred to Congress, for the Colonial Office staff is made up of men who are specialists in matters of colonial administration, and the law is thus passed upon, not by men who have no knowledge of or interest in colonial affairs, but by men who have devoted themselves for years to the study of the very questions with which colonial legislation is concerned. Not only does this system insure a consideration of the law from the standpoint of colonial interests alone, but it enables the Governor to frame his laws in full security that they will be passed upon without any reference to home politics in the sovereign State.

*British
system of
referring
legislation to
Colonial Office
highly
efficient*

Of all the questions which arise in regard to the control of tropical dependencies, the most important one, without doubt, is that of the selection of the officials who are to carry into effect the administrative measures of the Government.

It is far better, in fact, that the policy of the Government should be unsound and its execution

placed in the hands of capable men than that wise and benevolent measures should be committed to the hands of incompetent agents.

*Character more
important than
intellect in
colonial
administrators*

Sound character rather than brilliant intellect is the thing most to be desired in a colonial administrator; and the object which all examinations for a Colonial Civil Service should chiefly aim to secure is that the selected candidate should possess a liberal education such as is usually associated with breadth of view, a tolerant habit of mind, a reliable mental balance, and unimpeachable integrity.

The regulations of the Philippine Civil Service are based upon an entirely different view, and the examinations can have no effect whatever beyond insuring that each member of the service can read and write and has an education about equal to that of any high-school graduate.

*Low standard
of examinations
for Philippine
Civil Service.*

In order to show that, as a matter of fact, the examination for the Philippine Civil Service, except in so far as it relates to languages, does little more than exclude persons who cannot read and write, I give the following extracts from the official manual, covering the examination for what is termed "the most difficult grade:"

Spell the words Philippines, qualify, principle, civilization.

On April 7th a Manila merchant desires to obtain \$1440. For how much must he give his note due September 14, without interest, to obtain the required sum when discounted at a bank at the rate of 9 per cent. per annum?

Name five American statesmen who died before 1850.

In what country is each of the following: Vera Cruz, Oporto, Madras, the Bosphorus, Lake Maracaybo?

The only other required subjects in which competitors are examined, except the language tests, are letter-writing, penmanship, and copying from plain copy and from rough draft.

Compare this with the following extracts from the syllabus of the Civil Service of India, showing the extent of work required in the preliminary examination in a few of the subjects which may be selected by the competitors :

English Language: A general acquaintance with the works of Chaucer, Langland, Spenser, Shakespeare, Milton, Dryden, Pope, Gray, Collins, Johnson, Goldsmith, Crabbe, Cowper, Campbell, Wordsworth, Scott, Byron, Keats, Shelley, Coleridge, Bacon, Sir Thomas Browne, Cowley, Bunyan, Swift, DeFoe, Addison, Burke, and Macaulay.

Mathematics: Algebra, Euclid, Geometrical Conic Sections, Plane Trigonometry, Plane Analytical Geometry, Differential and Integral Calculus, Statics, Dynamics of a Particle, Hydrostatics, Geometrical Optics.

Political Science: Analytical Jurisprudence, Early Institutions, Theory of Legislation, Comparative Politics, History of Political Theories.

Sanskrit Language and Literature: Translation from Sanscrit into English and from English into Sanscrit, History of Sanscrit Literature, Sanscrit Grammar, and Vedic Philology.

From the candidates who pass the preliminary examination there are selected, in the order of merit, such number as are required for the vacant

posts in the service. These selected candidates are put on probation for one year, and are then examined in the following compulsory subjects: Indian Penal Code and Criminal Procedure Code, the principal vernacular language of the Province to which the candidate is assigned, and the Indian Evidence Act and the Indian Contract Act. In addition the candidate must pass in one of the following subjects: The Code of Civil Procedure, Hindu and Mohammedan Law, Sanscrit, Arabic, Persian, History of British India, or the Chinese Language.

In the Introduction to his "Colonial Civil Service" Mr. A. Lawrence Lowell, Professor of the Science of Government at Harvard, has gone to the very root of the matter, and I cannot do better in bringing this chapter to a conclusion, than quote his words:

The Colonial Civil Service must therefore be a life-long career. The career must be begun young, and that for two reasons. First, because it is only in youth that new languages and a comprehension of strange civilizations can be acquired rapidly and well; and, second, because if the selection of colonial officials is made after men have begun to be established in life, those who have already shown an ability to succeed will not abandon an assured career for another in which, though the reward is great, success is problematical. The men who will apply will be those whose previous ventures in life have not been the most fortunate; and the Colonial Service cannot afford to accept the failures in other vocations.

During the few months I spent in the Philippines early this year I met a large number of Amer-

ican officials. I found them almost without exception well disposed toward the natives, and anxious to do their best for the good government of the country; but the number of men among them who had any qualification such as one finds in the members of the Indian Civil Service was very small. *higher demands should be made of applicants for Philippine positions.*

If the Philippine Civil Service is to become a really efficient corps of administrators, it can be accomplished only by making the entrance examination so severe that only men of exceptional capacity can pass it, and by making the service so attractive in the matter of pay and pensions that men of exceptional capacity will be anxious to compete for vacancies.

CHAPTER XII

THE ECONOMIC CONDITION OF THE PHILIPPINE ISLANDS

*The American
problem in 1900*

THE specific problem which presented itself to the American Government, when it decided to establish popular political institutions in the Philippine Islands, was the introduction into a community whose social and political conditions were the product of the superimposition of mediæval European ideas upon tropical tribalism, of an administrative system representing five centuries of growth beyond the mediæval stage, and depending for its success upon a homogeneity of which scarcely a trace existed in the Islands.

*Hindrances to
U.S. policy:*

- 1. Spanish colonial
system fixed
in native mind*
- 2. Disorder after
U.S. occupation*

In carrying this policy into effect the Americans have been hampered by two serious adverse influences — one the complete saturation of the native mind with the Spanish idea of Colonial Government, the other the disorder which has prevailed in the Islands since the American occupation.

Perhaps the worst feature of Spanish rule in the Philippines was the pernicious influence exerted upon the civil administration by the monastic orders; and a perusal of the numerous documents relating to the insurrection of 1896 leaves the reader with a clear conviction that the greatest

evils of which the Filipinos complained were those *Friars responsible* which arose from the peculiar position in relation *for many evils* to the Government occupied by the so-called friars *in the islands* — members of one of the four Orders of Dominicans, Augustinians, Franciscans, and Recoletos — and that, in all probability, if there had been no friars there would have been no insurrection.

We are so accustomed to the spectacle of the Church and the State working in completely different spheres of action that it is difficult for us to realize the gross abuses which occur when members of religious orders are vested with wide administrative powers, when, in fact, the civil authority which regulates the temporal affairs of the people is wielded by the same person who controls their spiritual destinies.

The evils which arose from this concentration of power in the person of the Spanish friar in the Philippines cannot be exaggerated. The attitude of the Filipinos on the subject is concisely expressed in the following extract from a letter written by Aguinaldo to General Otis: "These priests have been for a long time the absolute masters of the life, honor, and property of the Filipinos. For this reason it is a widely known and notorious fact, recognized by all foreigners who have studied Philippine affairs, that the primary causes of the Philippine revolution were the ecclesiastical corporations which have robbed the country, preventing progress and liberty."

Some idea of the complete mastery exercised over the Filipinos by the friars may be gathered from an enumeration of the functions which the friars performed in the scheme of administration. In the township which constituted his parish, the friar was Inspector of Primary Schools, President of the Health Board and of the Board of Charities, Inspector of Taxation, and President of the Board of Works. He was Censor of the Municipal Budget, Inspector of Prisons, President of the Board of Statistics, and a member of the Board for Partitioning Crown lands. He supervised the election of the police force, controlled the issue of the certificates of character with which each man had to be provided under the Spanish law, and, as censor of the plays, comedies, and dramas performed in the native dialects at the numerous fiestas, he exercised important power over the only channel through which, in the absence of newspapers, public opinion could be reached.

The determination of the American Government to effect a complete separation of Church and State in the Philippine Islands meant that the whole structure and working of the administration would have to be changed from top to bottom. It was to be expected under these circumstances that although, on the one hand, the liberation of the people from the rule of the friars would remove many causes of discontent, yet, on the other hand, the assumption of all the details of administration by American officials unacquainted with the Islands and their

Priest had
great administrative
power in his
parish.

people could scarcely fail to introduce other causes of dissatisfaction, resting, it is true, no longer upon official oppression strengthened by a very intimate knowledge of the people and their affairs, but upon the sudden introduction of new ideals and methods of Government with which the people were entirely unfamiliar, under the guidance of officials of foreign race and speech, whose best efforts would be seriously handicapped for many years by lack of local knowledge.

But the difficulties which have arisen as a result of the governmental methods of the Spaniards have been intensified by the failure of the Americans to preserve order in the Islands.

During the course of the war between the United States and the Philippine Republic which was established by Aguinaldo after he had been taken to the Islands by Admiral Dewey, the country was thrown into a deplorable state of disorder, far worse than need necessarily have resulted from the existence of hostilities, by the failure of the Americans to realize the cardinal importance of exacting no loyalty or adherence to American authority until they were fully prepared to afford ample protection to the natives against reprisals from their fellow countrymen who remained hostile to the United States.

U.S. should not have demanded allegiance of natives until it could protect all against insurrectos.

Numerous instances are recorded of the occupation of towns and villages which were held only for a few days or a few weeks and were then abandoned to the revenge of the insurrectos.

The natives were thus placed in a very difficult position, one which it was highly impolitic for the Americans to force upon them. If they refused to assist the American troops in the way of food and other supplies, labor, and so on, they were immediately treated as insurgents; if they gave any assistance, and were afterwards deprived of the protection of an American garrison, insurrecto troops would attack the place, sack it, and kill a large number of its inhabitants.

Thus, while this method of warfare accomplished little towards the discouragement of those who were in open insurrection, it created the greatest bitterness among those who, either from necessity or from preference, were inclined to accept the American occupation.

If the Province of Manila had been taken as a nucleus and the American control gradually extended outwards over the whole of the Islands, the condition of order would have been infinitely better to-day than it actually is.

The prevalence of ladronism, or armed robbery and outrage, which has continued down to the present time, is a direct result of the lack of concentration in the American plans for the complete pacification of the Islands.

To gain an idea of the actual state of the Islands in the matter of public order, it is only necessary to consult the records of the Philippine police force.

The Insular police force consists of two bodies

*Ladronism not
yet stamped
out.*

of men, the Philippine Constabulary and the Philippine Scouts, each body recruited from the natives of the various Provinces and officered partly by natives, partly by Americans. The cost of the Constabulary falls on the Insular revenues; that of the Scouts is paid by the United States.

The latest available figures in regard to the work of the police force are those for the fiscal year 1903, and they disclose a sufficiently discouraging state of affairs. During 1903 there were 5351 separate expeditions against outlaws, of which 357 resulted in engagements. The number of outlaws killed was 1185, and the number captured 2722.

When it is noted that these figures do not include the military operations of the army, which was engaged in serious fighting in Mindanao and Jolo, it is seen that the Islands were in a state of considerable disorder in 1903; and at the time of my visit to the Philippines early in 1904 there were no indications that conditions in this respect were improving.

In dealing with the economic affairs of the Philippines it is necessary to bear the above facts in mind, for a sudden change of administrative methods and a continued prevalence of disorder have exerted a marked influence upon the general condition of the Islands.

The value of merchandise exported from the Islands in the calendar year 1903 was \$32,000,000, gold, as compared with an average during the five-year period 1892-96 of \$22,000,000. These figures

represent a substantial increase, and, if allowed to stand without analysis, they constitute a very effective reply to the widespread complaints that the Islands are in a deplorable state of commercial depression.¹

If, however, these figures are subjected to a close scrutiny their significance is entirely changed. With an export trade of \$32,000,000 the Philippine Islands are called upon to pay \$12,500,000 for the expense of the Insular Government; in other words, for every \$100 worth of produce exported from the Islands the General Government costs \$40. If to this we add \$2,500,000 collected in the Islands for Municipal and Provincial Government, the ratio of expenditure on Government account to value of exports is raised to forty-six per cent.

*Philippine
government
unnecessarily
expensive.*

That a country should have to pay forty-six per cent. of the value of its total industrial product, excluding a comparatively insignificant internal trade in local produce, for the privilege of being governed, is obviously absurd; and although a dependent tropical Government is always expensive, from the fact that the administration is very much better than could arise naturally as a product of native activity, that of the Philippines is much more expensive than it should be.

¹ It is interesting to note in this connection that the value of exports for the fiscal year 1904 shows a decrease of three million dollars (gold) as compared with the value of exports for the fiscal year 1903.

Comparing the cost of Government, on the basis adopted above, with that of five British dependencies in various parts of the tropics — Ceylon, Barbados, British Guiana, Trinidad, and the Federated Malay States — the average is twenty-seven per cent. as against forty-six per cent. in the Philippines.

But this does not close the comparison. In the British dependencies every charge connected with the Government, whether of a civil or a military nature, is paid by the local Government; in the Philippines all military expenses are paid by the United States; and the Islands do not even pay for their own police, for the 5000 scouts who do police work, as a body supplementary to the Philippine Constabulary, are on the Army pay-roll. The fact is that if we add together the sums paid by the people of the Philippines and by the people of the United States in connection with the control and administration of the Philippine Islands, the total reaches a sum greater than that of the whole value of the export trade of the Islands.

The \$32,000,000 worth of exports from the Philippine Islands in 1903 was made up of \$22,000,000 worth of hemp, \$4,000,000 worth of copra, \$3,000,000 worth of sugar, and \$2,000,000 worth of tobacco and cigars, leaving only \$1,000,000 to cover the value of all other exports. Hemp and copra show a great increase during the past few years; tobacco and sugar a decrease, the exports of the latter having fallen from an average of

*Sugar & tobacco
exports decreased.*

493,000,000 pounds for the five-year period 1891-95 to 166,000,000 pounds for 1904. Hemp and copra are crude products which do not require high cultivation or steady labor for their production, while sugar and tobacco need constant attention during their cultivation and the most careful treatment during their manufacture.

The growth of the Philippine export trade during the past few years is thus seen to have rested entirely on those products which are least dependent on labor conditions, and it is clear that the falling off in sugar and tobacco production, though due to some extent to other causes, is attributable chiefly to the unsatisfactory state of native labor.

The whole future of the Islands lies in the solution of the labor problem; and the outlook is not encouraging. A great deal has been written about the Filipino as a laborer, and the widest divergence of views exists as to whether he is a tolerably good workman, as tropical labor goes, or is an utterly unreliable and worthless creature as far as any development of the Islands is to rest on his efforts.

An examination of these conflicting opinions shows that, with very few exceptions, all favorable comments on Philippine labor come from the towns, the unfavorable ones from the country; and the fact is of great importance, for it lies at the root of the whole labor question in the Islands. In the towns, Philippine labor is chiefly employed by the

Government, the Army, and transportation concerns, that is to say, by persons who are not engaged in producing anything for sale; and in the country districts the employment is agricultural. It is clear that the former class of employers is placed in an entirely different relation to Philippine labor from the latter class. The Government and the Army can afford to pay an absurdly high rate of wages because the money wherewith to pay the laborers is the product of taxation and not of the labor itself; the transportation concerns, like the Manila-Dagupan Railway, can pay very high wages because they can adjust their rates to meet their expenses.

But the agriculturalist is in a very different position. He is producing something for sale in the European or American market in competition with other producers of similar commodities; and any considerable rise in the rate of wages makes it impossible for him to conduct his business at a profit, for the price obtained for his product is not regulated by the labor rates of the Philippines, but by the general rate of wages in all countries producing the same class of commodities. It is clearly impossible for a sugar or tobacco grower in the Philippines, who must pay from thirty to fifty cents as daily wages for his labor, to compete successfully with the planter of Java or Sumatra, who pays from fifteen to twenty-five cents a day. The effect of the high wages paid by the non-producing employers in the Philippines has not only raised the

*Conditions of labor
and earnings
labor differ.*

*Higher wages
in towns have
drained earnings
of agricultural
laborers of
better types*

rate for agricultural labor to an impossible figure, but it has absolutely drained the country districts of their best labor, for in the Philippines, as elsewhere, the average laborer would rather work in or near a town than in the country for the same rate of pay.

Even some of the Government works in the country districts cannot secure a satisfactory supply of labor, though abnormally high rates, far beyond what private employers can pay, are offered.

The engineer in charge of the Benguet Road, a Government undertaking, has given, in his annual report for 1903, a description of Philippine labor which I should say, from my own observation, might be applied fairly to all Philippine labor outside the towns. "In general terms," he says, "the native laborer has proved himself on his work to be idle, shiftless, and stolidly indifferent, approaching his work with no degree of intelligence or judgment, of a deceptive and treacherous character, wantonly careless and frequently maliciously destructive, uninterested in and indifferent to his work, unwilling to learn and impossible to teach. . . . The Filipino has proved himself more expensive than white labor, and, one might say, is practically valueless."

The present labor position is this, that of the total population of the Islands there may be found, perhaps, five per cent. who are fairly good laborers; but these laborers have been drawn into the service of the non-producing employers by the attraction

of high wages and town life, leaving in the country districts only a very small number of very poor laborers who demand a higher rate of wages than could have been obtained a few years ago by the best labor in the Islands.

The suggestion that unskilled Chinese labor should be introduced into the Islands has met with violent opposition in the United States ; and native opinion in the Philippines is divided on the question. It is quite useless in this place to go into the subject on its merits,¹ for there is no evidence in any of the documents issued by those people in the States who are opposed to the measure, that any knowledge of Chinese labor or of the Philippine Islands is considered an essential to the formulation and expression of very decided opinions on the subject.

*Chinese labor
suggested as
solution of
problem*

Although the Philippine Commission officially declares against the importation of unskilled Chinese labor, two native members of the Commission and one American member assured me that they were convinced that Chinese immigration was the only hope for any development of the Islands ; that they were in favor of it ; but that the utter futility of expressing an official view to that effect was so well appreciated that they had made no stand in the matter.

That the natural resources of the Philippine Islands can never be made accessible for the use

¹ I have discussed the question of imported contract labor at great length in my *Tropical Colonization*.

of mankind without the aid of imported labor is a simple fact which rests on the universal experience of centuries of work in the tropics ; the contrary view, in so far as it rests on anything that has any bearing whatever on the welfare of the Philippine Islands, is based on a fantastic estimate of what a Filipino could do if he were something which he is not, but which, it is hoped without a shred of reason, he may some day become, — a steady-working, industrious citizen.

The probable effects of the introduction of unskilled Chinese labor are concisely presented in Professor Jenks's admirable Report to the Secretary of War, dated 1902 : " It is believed that such a measure would result, with here and there an individual exception, not at all to the disadvantage of the Filipino, but in the long run decidedly to his benefit through improved business conditions in the Islands, which would furnish to him not merely a better market for his produce, but also a better opportunity for engaging in the kind of work for which he is best fitted and which most closely accords with his tastes."

In regard to the admission of skilled Chinese labor, the Philippine Commission has placed itself on record as being in favor of its admission under proper restrictions. It is perhaps needless to add that Congress has not given the Commission the authority which it asked for in this matter.

I may illustrate the effect of Chinese exclusion in the Philippines by relating an occurrence which

was described to me by one of the Philippine Commissioners. A capitalist came some time ago to Manila and approached the Commission under the following circumstances: he wished to establish at Manila a great shipbuilding and repairing industry; he wanted to build a dry dock capable of taking the largest ship afloat, and to erect an extensive plant for all kinds of marine engineering. As there are very few skilled workmen in the Philippines capable of doing the work which this man required, he asked permission to bring in several thousand Chinamen, giving a bond that he would take them out of the country after a certain time. He promised to employ a Filipino to work with each Chinaman, and to dismiss the latter and take him out of the country as soon as the Filipino was able to do the Chinaman's work.

He pointed out that at the end of a few years a great industry would have been established and some thousands of Filipinos trained as skilled mechanics.

He was informed that the law would not allow him to bring in his Chinamen; and he accordingly betook himself and his capital elsewhere.

Incredible as this appears to be, if one is asked to believe that the United States has the welfare of the Philippines at heart, it is only in keeping with the whole attitude of the Government in regard to the development of the Islands.

Since the American occupation many hundreds of people have been to the Philippines, anxious to

U.S. policy
now excludes
foreign
capital

invest capital there in mining, timber, or other industries. To-day there are not half a dozen such persons to be found in the Islands. They have been driven away either by the existence of laws which, to use the expression of the Philippine Commission itself, are "practically prohibitory upon such enterprises," or else by the cry that in seeking to invest capital in the Islands and give employment to such Filipinos as care to work they are trying to exploit the Islands.

foreign capital
must be
encouraged or
1. Administration
must be cut down
to revenue of
islands;
2. U.S. must
bear large part
of expense of
administration

The question is a very much wider one than the mere development of the Islands. It amounts practically to this, that unless foreign capital is encouraged to come to the country to build up industries, one of two things must happen: either the whole scale of Government expenditure must be cut down until the cost of administration is somewhere near the capacity of the natives in their present state of industry to pay, or else a considerable proportion of the cost of Government must be borne by the United States, for it is impossible for the country to continue to bear the rate of taxation which it is now called on to support unless a great increase takes place in the industrial output of the Islands.

One may argue round and round a situation of this kind and predict all manner of evil from the introduction of a thrifty and hard-working population, and all manner of good from the imminent translation of the Filipino, through education, into a sturdy, industrious person, but nothing can obscure the fact that if the Filipino is to be given

good government some one must pay for it, and that there are no indications whatever that under the present policy the Islands can find the money under any system of taxation which stops short of extortion.

From the standpoint of an investigator who desires to inform himself accurately of the condition of the Philippines and of their Government the Reports of the Philippine Commission, on which he must depend for much of his information, are in some respects most unsatisfactory. The Report for 1903 covers about 3000 pages. It does not contain any general itemized statement of the whole cost of the government, showing the amounts spent on Public Works, and other important items of expenditure. There is, indeed, a "Recapitulation of Disbursements," but even after one has reduced its various items to a common currency (some being given in United States currency, some in Mexican), and added together the disbursements on account of the fiscal year 1903 and those on account of previous fiscal years (which are given separately), very little is disclosed as to the real nature of the expenditure.

If one refers back to the original tables on which the Recapitulation is based, it is only to be confronted with a four-column statement in two currencies, and to find that an unexplained item, "Contingent Expenses," conceals everything which the student is most anxious to discover. For instance, under the heading "U. S. Philippine Commission "

(Report for 1903, part 3, page 431), it is seen that \$21,067 United States currency and \$189,924 Mexican currency were disbursed in 1903 on account of the fiscal year 1903, and \$26,184 United States currency and \$156 Mexican currency on account of prior fiscal years, or a total of \$47,251 United States currency and \$190,080 Mexican currency. But of these sums no less than \$24,096 United States currency and \$60,022 Mexican currency are lumped under the heading "Contingent Expenses."

On the following page of the Report, under the heading "Bureau of the Insular Treasurer," the total expenditure appears as \$26,338 United States currency and \$229,795 Mexican currency, and of these sums \$25,253 United States currency and \$103,623 Mexican currency have no other explanation than "Contingent Expenses." This continues through the whole of the financial statement, and reduces the Report in this matter to a mere burlesque of an account of the Government expenditures.

I cannot go into the character of the Reports at greater length at present; suffice it to say that in a long familiarity with the Reports of many Governments I have never seen one which says so much and tells so little as that of the Auditor of the Philippine Islands.¹

¹ Since this chapter was written Congress has passed legislation which should have the effect of improving the economic conditions of the Islands to some extent. The Philippine Gov-

ernment has been authorized to guarantee interest on bonds to be issued to aid the construction of railroads ; and also to incur a bonded debt of \$5,000,000 for public improvements ; and the Municipalities of the Islands have been authorized to borrow money for use in Public Works up to 5 per cent. of the assessed value of property in each Municipality.

CHAPTER XIII

AMERICAN POLICY IN THE PHILIPPINE ISLANDS

THE corner-stone of American policy in the Philippines is education.

A perusal of the Reports of the Philippine Commission discloses the fact that, whilst the question of education in the Islands has been approached most frequently from the point of view of the political development of the people, it has also been felt that every problem in connection with the control and development of the Islands would find its solution in the establishment of a complete system of public instruction.

In the Report of 1900 the Commission says, "It is evident that the fitness of any people to maintain a popular form of Government must be closely dependent upon the prevalence of knowledge and enlightenment among the masses."

The idea is carried still further by the Hon. Wm. H. Taft in a recent article in "The Churchman." "The chief difference," he says, "between their [the English and the Dutch] policy and ours, in the treatment of tropical people, arises from the fact that we are seeking to prepare the people under our guidance and control for popular self-government. We are attempting to do this, first, by

primary and secondary education offered freely to all the Filipino people. . . . Our chief object is to develop the people into a self-governing people, and in doing that popular education is, in our judgment, the first and most important means."

Before proceeding to describe what has been done in the Philippines in the way of education, I must point out that, as a matter of fact, there is not a single British Colony in the tropics which is not provided with a system of public instruction, and that so far from the extent of educational work in the Philippines being extraordinary and unique, as Mr. Taft leaves his readers to infer, there are a number of British Colonies in which the proportion of school enrollment to the total population is higher than it is in the Philippines.

I find myself unable to agree with the opinion quoted above that education is the first and most important step in the development of the capacity of self-government in a people.

Apart from the obvious fact that the establishment of peace and order is the first duty of any Government as well as an indispensable preliminary to all constructive administration, this theory ignores one of the most universal traits of human evolution as disclosed in the history of the growth of institutions, namely, that political progress has depended on industrial rather than on educational development.

I doubt whether a single instance can be adduced from the whole material of human history in which

a popular movement for increased self-government has arisen as the result of the spread of education.

It is only necessary to refer to the three great political movements of modern times — Parliamentary Reform in England, the French Revolution, and the American War of Independence — to show that economic and not educational factors are the primary elements in political evolution.

In a word, you may find a high state of industry where advanced political and educational conditions do not exist; but the world does not furnish a single instance of a country in a low state of industry in which any real, substantial progress in education and politics has taken place.

Without wishing to detract in the smallest degree from the just value of education I feel that to place it before order and industry in the programme of Government is to undertake a dangerous experiment for which no hope of success can be based on the past experience of mankind.

Having decided that the first need of the Philippine Islands was a school system, the Government was confronted with the problem of providing instruction for many thousands of children speaking a number of different native dialects, and of establishing normal schools for the training of native teachers many of whom possessed but an indifferent knowledge of English.

The problem was solved in the most radical manner by adopting English as the only language of instruction. This step was taken on two general

grounds, one that a common language was necessary in order that there might be developed in the Islands an effective public opinion capable of universal expression, the other that "English is the language of free government; it is the language of Anglo-Saxon freedom; it is the language in which they [the Filipinos] can read the history of the hammering out by our ancestors of the heritage of liberty which we have had conferred on us."

The important place which education occupies in the administrative scheme in the Philippines may be gathered from the fact that one-fifth of the whole public revenue of the Islands is expended on public instruction.

*1/5 Philippine
revenue for
education.*

The expenditure amounts, in round figures, to \$3,000,000 annually, and this provides for about seven hundred American teachers, distributed in more than three hundred towns throughout the Islands, and for upwards of three thousand Filipino teachers, working in about two thousand schools.

Taking the population of the Islands at eight millions it is seen that there is at present one teacher for every two thousand inhabitants, whereas under the Spaniards there was but one teacher to every four thousand.

The school enrollment, according to the latest available figures, is 263,000, with an attendance of 70 per cent. In other words, about 2.3 per cent. of the total population of the Islands is attending school.

It is interesting to compare these figures with

those relating to education in a few British Colonies in various parts of the tropics. The proportion of the total population attending school in Barbados is 7 per cent., in British Guiana, 2 per cent., in Jamaica, 6 per cent., in Ceylon, 5 per cent., in Mauritius, 3 per cent.

More important than the spread of primary education throughout the Islands is the establishment at Manila of a Normal School with its useful branch the Teachers' College, for it is in these institutions that there must be developed the effective teaching force of the future.

Experience in educating tropical races has shown that although a European staff can turn out a small number of brilliant pupils the slow work of leading a native race along the path of instruction can be most efficiently performed by native teachers.

In addition to the general scheme of education outlined above, there have been established night schools, high schools, normal institutes, a school of telegraphy, and a nautical school; and it is intended to organize an industrial department in connection with each of the provincial schools of secondary instruction.

Every effort is being made in the Philippines to give the people whatever advantages may be attached to a wide diffusion of educational facilities; but when it is reflected how small a proportion of the Filipinos can ever be utilized outside the field of manual labor until a great increase in industry has provided work of a higher character, it is at

least open to doubt whether the present attempt to increase the literacy of the people is not premature.

Perhaps the most striking commentary which has been published upon the educational work in the Philippines is that contained in the Report of the Secretary of Public Instruction for the year 1902:

"The people have been accustomed under their earlier instruction to regard education as a means of putting themselves in positions where manual labor is not required. Hitherto the Filipino youth has looked upon the instruction of the schools as a means of preparing him to become a teacher, a civil officer, a clerk, a lawyer, a physician, or a priest. That phase of education through which the young man expects to become a skilled workman has lain almost entirely below his horizon. . . . Whatever progress, therefore, is made in industrial education must be made in opposition to a strong prejudice; but this prejudice is not thought of as invincible."

I may add in this connection that in fifteen years of travel in tropical countries in which education has been in operation for more than a generation, ^{General} I have observed no indication that the spread of ^{education does} instruction has had the effect of making the natives ^{not encourage} appreciate the dignity of manual labor. In fact for ^{manual labor} every skilled workman turned out by the industrial schools in the tropics the schools of general instruction have cast upon the country twenty men who from the very fact of their education refuse absolutely to have anything to do with any employment which involves manual labor.

Education and
taxation closely
related

But the question of education in the Philippines must be approached not only from the standpoint of the ultimate advantages which its advocates claim are to result through its instrumentality, but also from the point of view of its present cost and the ability of the people to bear it; and we are thus brought face to face with the problem of taxation in the Islands.

In discussing this matter we are not hampered by the necessity of discounting the oppressiveness of a present burden by a presentation of conjectural advantages in the future, as we are when the simple question of education *per se* is the subject of our inquiry.

Taxation must always be judged by two standards, first by the relation which it bears to the wealth and industry of the country, second by the return which the people get for the money they pay out in taxes.

In a previous chapter I have dealt with the relation which taxation in the Islands bears to the wealth and industry of the country, and have shown that it is oppressively high. We may turn, therefore, to the question of what the people of the Philippine Islands are getting in return for their contributions to the Insular Treasury.

It is a sound principle of Colonial finance in tropical countries that as large a proportion as possible of the total taxation should be devoted to reproductive expenditure, that is to say, to works which will either increase the industrial activity of the country and thus lighten the burden of taxation by

increasing the wealth of the people, or which will eventually pay for themselves and form a valuable asset of the Government.

To the former class of works belong such undertakings as road construction, irrigation, forest conservancy, and the construction of good market places; to the latter the installment of water-supply systems, gas or electric lighting, and telephone service, and the construction of railroads, where these things are not undertaken by private enterprise.

In order to disclose the general character of the public expenditures in the Philippines I may compare them with those of the Federated Malay States.

In the Philippines out of a total expenditure of \$31,000,000 (Mexican) about 10 per cent. was devoted in 1903 to reproductive work. In computing this sum I have included all items under the headings Forestry, Agriculture, Public Lands, Roads, Bridges, Public Improvements, and Government Laboratories.

*1903 - 100%
Philippine
expenditure to
reproductive
work*

The total expenditure of the Federated Malay States in 1903 was \$16,000,000 (Mexican), and of this sum 56 per cent. was spent on works of the character stated in the foregoing paragraph.

F.M.S. 560%

If the principles on which the expenditures are apportioned in the Philippines differ completely from those which guide the Government of the Federated Malay States, the methods by which the revenue is raised in those countries show a still greater divergence of policy.

The total ordinary revenue of the Philippine

Islands during 1903, exclusive of refundable items, was \$28,000,000 (Mexican), and of this sum no less than \$22,500,000, or 80 per cent., was raised from Customs duties, almost the whole burden falling on merchandise imported for consumption by the natives.

In the Federated Malay States the public revenue for 1903 was \$22,672,000 (Mexican), of which \$12,000,000 represented Customs duties, chiefly export duty on tin ; \$3,600,000 receipts from Government Railways ; and \$3,600,000 licenses for the manufacture and sale of opium, for the sale of spirits, for the right to keep Chinese gambling-houses, and to conduct the business of pawnbroking.

As Chinamen constitute the whole working force of the tin-mines and are the sole patrons of the opium-shops and gambling-saloons, and almost the only consumers of spirits in the Federated Malay States, it is clear that the greater part of the public revenue of the States, exclusive of railway receipts (of which, however, the Chinaman pays a very large proportion), is derived from the taxation of tin (the great exportable product of Chinese labor) and of the personal vices of the Chinese population.

The *pros* and *cons* of taxing opium and gambling I have discussed in a previous chapter. I am concerned at present with the effect which the presence of Chinese laborers in a country has upon the incidence of taxation ; and it is apparent that the effect in the Federated Malay States has been to leave the native Malay practically untaxed whilst

a revenue has been raised sufficient to give the country law and order, unexcelled means of communication, and a most efficient administration.

It may be said that revenue cannot be raised in the Philippines as it is raised in the Malay States because Chinese immigration is not sanctioned in the Islands; but this simply brings us back to the bald fact that the administration of the Philippines is conducted at an expense entirely out of proportion to the ability of the people, in their present state of industry, to bear, and that the Federated Malay States afford an example of what the Chinaman can do to help a country out of an *impasse* of this kind.

Of all the work which has been done by the United States in the Philippines that which is most deserving of praise, alike from the standpoint of policy and of performance, is the work of the Board of Health of the Philippine Islands and City of Manila. *Health work has been best of U.S. enterprises*

In carrying out the task of checking the spread of preventable disease and of introducing sanitary methods of living, the Board of Health has been hampered by almost every difficulty which could be expected to detract from the efficiency of its efforts.

On the one hand it has been hampered by want of funds and by inadequate or unsatisfactory laws, on the other hand by a general opposition on the part of the natives to the introduction of all sanitary improvements, an opposition which can only be

appreciated by those who have had occasion to observe the combined effect of the suspicion, distrust, superstition, and fatalism with which all tropical races meet any attempt to change their personal habits.

Apart from the difficulties which are due to the above causes innumerable obstacles to sanitary progress are to be found in the physical conditions by which the people are surrounded. These are naturally most unfavorable in the towns. In Manila, for instance, there is neither a proper system of sewerage nor an adequate supply of uncontaminated water.

The present housing of the people presents its own peculiar problems to the sanitary engineer. In the cities the houses are of one of two types, either loosely constructed buildings of light material, or masonry houses very solidly built in order to withstand the shock of earthquakes. The objections to the former class of houses are that they are highly inflammable, are far too crowded both as to the number built on a given area and as to the number of persons inhabiting them, and finally that as they are built on posts which raise them above the ground there is a strong temptation, which is never successfully resisted, to use the space under the house for a garbage heap.

The solid masonry houses are perhaps open to even greater objection. They are badly lighted, badly ventilated, and they are more overcrowded and with worse results than the lighter structures.

The work which has been done by the Board of Health in face of the difficulties I have described above deserves the highest commendation; and it has only been achieved by the loyal coöperation of all the staff and by the most severe and unremitting toil in the teeth of a most discouraging indifference, not to say hostility, of the mass of the people in whose interest it has been performed.

The death rate of the Islands has been greatly reduced by the application of scientific checks to the spread of disease; the City of Manila has been rescued to a considerable extent from its former state of inconceivable filthiness; plans are being made for giving the City a good water supply; and the question of a radical treatment of the sewerage problem is under consideration.

That many things are still lacking, notably hospital accommodation, is recognized by everybody; but the Board of Health may well feel proud of the revolution it has already effected in sanitary matters.

I pass now to the last and probably the most important question of Philippine administrative policy which I can discuss in the present volume — the question of roads. *Roads are of the great questions of Philippine administration*

In a tropical country no single feature of practical administration is so sure an index to the general condition of the country as the extent and character of the roads.

It may be said that from the days of the Romans down to the present time the most successful col- *g*

onizers, whether success be measured by the advantages accruing to the sovereign State or those which fall to the native population, have been those who have made the best roads.

Without its splendid roads, many of which are still in use in Europe, the Colonial Empire of Rome could not have held together for a decade. British India without its roads would be little better off to-day than it was a century ago under its native rulers, when the recurrent famines were left to work complete destruction in the affected areas because the lack of roads made it impossible to transport grain from one district to another, and when from the same cause the internal trade of the country was hampered almost to extinction.

*Progress in tropics
in industry due
to good roads more
than to any other
one agency.*

The reduction of India to a state of peace and order unknown in its pre-British history, the suppression of dacoity and the immense development of industrial prosperity in Burma, the astounding growth of the Federated Malay States, the great commerce of Java, the recent improvement in French Indo-China, may be attributed more to the influence of good roads than to any other single agency.

Deprive a tropical country of its roads and you produce an effect comparable only to that which would follow in the United States the destruction of every mile of railroad.

It is remarkable, therefore, that in the Philippines the Government should have allowed five years to pass without doing anything of importance

in the direction of covering the country with good highways.

With the exception of the few miles of roads constructed by the Army during the military occupation, and the extravagantly expensive Benguet Road, which serves merely to give easy access to the sanitarium at Baguio, I doubt whether the American occupation of the Islands has resulted in the opening up of a hundred miles of serviceable roads available for wheeled traffic at all seasons of the year.

This neglect is the more remarkable from the fact that it must have been clear to the Government almost from the commencement of its operations that the two great needs of the country — peace and prosperity — could never be attained until good roads facilitated the movements of troops and the transportation of commercial commodities.

A survey of the whole course of American administration in the Philippines leaves the student of comparative colonization with a few very clear and definite impressions of American colonial methods.

That there has been an honest desire on the part of the American Government to do what has appeared to be in the best interests of the Filipino people, there can be as little doubt as that the majority of the American officials in the Islands have been animated by a similar ambition.

But, from lack of experience and from a refusal to attach any importance to the centuries of experi-

ment through which the colonizing nations have passed in their relations with tropical Asiatics, almost every Government measure has had as its foundation the assumption that what is good for the United States is good for the Philippine Islands.

Thus a high tariff, an extended system of education, the exercise of political rights by the greatest possible number of the people, the exclusion of contract labor, and the application of the American navigation laws, all of which appear to have the approval of the majority of the American people as component parts of their home policy, have been transferred wholesale to a country which is separated from the country of the ruling power by every circumstance of climate, race, and civilization.

The task which has been undertaken is, in fact, to make an American out of a Filipino; and it is a task for which few people who have had any personal acquaintance with tropical races will be prepared to predict even a moderate degree of success.

It is not at all necessary, in order to discredit this attempt, to paint the Filipino as a mortal of a lower type than the American; it is not a question of inferiority or of superiority, but of difference.

To expect that American institutions can find a permanent home in the Philippines, after the control of affairs has passed out of American hands, is to disregard every natural force which has contributed since the beginning of the world to the differentiation of racial types.

U.S. errs in
trying to impose
American life
and institutions
on Filipinos

That the Filipino is capable, if left to himself and protected from outside interference, of developing in the course of time some such Government and civilization as may be found to-day in the States of Central America is a theory on which opposing opinions may reasonably be entertained by honest and competent observers;¹ but that he can remain in his present geographical environment, free from the constant oversight of a non-tropical race, and yet become, even in the course of ages, a creature of schools, ballot-boxes, and free political institutions, is beyond any flight of an imagination which is checked by the smallest knowledge of tropical life.

If a disinterested critic of political and administrative measures confines himself to a destructive analysis of his material, he lays himself open to the charge of having accomplished an easy, useless, and offensive task; if, on the other hand, he proceeds to a constructive review of his facts, he may scarcely hope to avoid the appearance of assuming an unwarrantable authority in affairs which concern him only as an observer.

It appears to me that it is the duty of the critic to accept the latter alternative, for constructive

¹ Personally I see no reason to suppose that the Filipinos if left to themselves could not establish and carry on a government as good as that of Venezuela, for instance; but that under such a government they would be very much worse off than they now are under American control there can be no possible doubt.

*Suggestions for
U.S. policy.*

criticism possesses this pleasing characteristic, that, even in its most mediocre form, it may contain the germ of improvement.

Whilst claiming no greater authority for my opinion than is commonly accorded to any one who has spent a number of years in the close study of any subject, I venture to add the following paragraphs as a proper sequel to what has gone before.

With the destruction of the Spanish authority in the Philippine Islands, the responsibility for the protection of the Islands and for the establishment of a stable internal Government devolved upon the United States.

*Aguinaldo could
not have handled
Philippine
situation after
withdrawal of
Spain.*

That neither of these responsibilities could have been discharged by handing over the Islands to Aguinaldo and his masters is perfectly clear to almost everybody who has the most ordinary familiarity with Far Eastern affairs in general, and with the conditions of the Philippines in particular.

The only kind of Government which Aguinaldo could have established would have been a military despotism masquerading under the guise of a Republic; and for a large proportion of the population it would have been as much a foreign domination as the government of the Islands by the United States. That such a Government would have been corrupt and inefficient, notwithstanding the presence of a small number of brilliant and well-educated men, can scarcely be doubted in view of what is now known of the political capacity of the Philippine people.

The significance of this lies not in the disorder and suffering which would have followed the establishment of a purely native Government, but in the fact that the certain failure to protect foreign interests in the Islands would have involved the Government in disputes with the Great Powers, which would have made it impossible to maintain the territorial integrity of the Republic.

*Independent
Philippine
government
could not have
maintained
territorial
integrity*

It has been suggested that this danger could have been averted through the assumption by the United States of a Protectorate over the Islands. But if the Protectorate was to mean anything beyond an impossible guarantee of responsibility for the acts of the Republic, whether or not they involved serious breaches of international law, it would have to mean that the United States should enjoy, in return for its own assumption of the responsibility, so large a measure of control as would assure the avoidance of international complications; but this would raise the Protectorate as a mere guarantee of territorial integrity into a protectorate of internal control, and the object of giving the Filipinos the effective management of their own affairs would be defeated.

*U.S. could not
have maintained
integrity of
islands by
mere
protectorate*

The demand which has been made in some quarters in the United States for immediate Philippine independence is based upon several serious misconceptions, easily accounted for in the case of persons who are prepared to decide the fate of a country without any first-hand knowledge of it or of its inhabitants.

*Filipinos as a
people did not
desire independence
in 19
Natives aroused to
insurrection by
demagogues
without knowledge
of significance
of independence*

It has been assumed that the people of the Philippine Islands, as a whole, desired independence at the time of Aguinaldo's insurrection, and that they still desire it. The results of my own observations in the Islands (which, I am aware, differ from those of some investigators, whilst agreeing with those of others) lead me to the conclusion that this is not the case. Ninety-five per cent. of the people of the Islands have never had the smallest wish for independence, and the fact that they fought under leaders who used "Independence" for their battle-cry simply means that the small body of men who engineered the revolution exercised over the mass of the people that control which in the circumstances led to the creation of an army, and would have led in the event of success to the establishment of a despotic rule based upon the immemorial habit of the tropical native to do what he is told by his own native bosses.

The cry of "Independence" which was raised in the Islands after Aguinaldo landed in 1898 was largely of American manufacture, and it rests today on an American propaganda. I was unable to find that it had any hold whatever upon the people at large, and it appears to be confined to a small number of persons who are as representative of the Filipino people at large as the occasional man who would make the United States a monarchy, or the United Kingdom a republic, is representative of American and British sentiment.

In regard to the fitness of the Filipinos for self-

government there appears to be an opinion in some quarters, if I may judge from the mass of material which has passed under my hand, that because the Islands have produced, entirely through foreign influence and education, a few men of high intellectual capacity, and because many of the native employees of the Insular Government show themselves capable of good work under American direction, the element thus known to exist could carry on a Government if left to itself.

Nothing could be farther from a true interpretation of the facts. Efficient government does not rest upon intellect but upon character, and it is in the high qualities of responsibility, unselfish devotion to the common interest, and executive ability that the Filipino is most lamentably deficient.

Writing without any reference to the attitude of political parties in the United States, the measures which appear to me to be immediately necessary to insure the welfare of the Philippines are these:

1. The free entry of all Philippine products into the United States.

2. The importation into the Islands, under proper restrictions and safeguards, of such numbers of Chinese and Japanese skilled and unskilled laborers as may be desired by the Government or by responsible private parties.

3. The opening up of the country by means of good roads.

4. The encouragement of American capital by

Measures
necessary for
welfare of
Philippines

granting liberal terms to miners, planters, and others willing to invest their money in industrial enterprises.

5. The abolition of the Philippine Commission and the Provincial Governments, and the substitution in their place of a Governor-General, who, with the aid of an appointed Council composed of Americans and Filipinos, should be empowered to legislate for all the internal affairs of the Islands, subject to the veto of some authority in the United States.

6. The creation of an Insular Office in Washington, which should be run on non-political lines similar to those of the Army and Navy Departments.

7. The transference of the control of all Public Works, except such as fall to the Municipalities, to the Insular Government.

Nature has done all she can to make the Philippine Islands one of the most fertile spots in the world, one full of the richest possibilities. Until their natural resources are developed, until a healthy activity takes the place of the prevailing lethargy of their people, the Islands can never hope to have any political growth.

It is impossible to confer independence on a people as one would present them with a public library or a drinking fountain. If the ground is not prepared, if the people are not fit for self-government, the gift of independence simply means the handing over of the country to the despotic

rule of a small coterie of picked men, who, from their foreign education and training and their race identity with the natives, would find it easy to establish an ascendancy over the masses, which would keep them in a state of political and economic slavery.

Whatever the future may hold for the Filipinos, it is certain that to-day they have scarcely taken the first step on that long road of industry and self-discipline which alone leads to a sane and wholesome national life.

NOTE. At the moment this volume goes to press the appearance of the final volumes of the Philippine Census enables me to reproduce in Appendix C some of the more important data relating to the Islands.

I find nothing in this new material which leads me to modify anything I have written in the foregoing chapters. I wish to draw the reader's attention to the Table of Literacy, No. 5 in Appendix C.

My statements in *The Atlantic Monthly* and in *The Outlook* to the effect that ninety per cent. of the population of the Philippines was illiterate (i. e. could not read and write any language) have been severely criticised; and I have been accused of gross ignorance of the facts.

The Census shows that as a matter of fact my estimate was within four per cent. of absolute accuracy. It appears that of the total population of the Philippines 86.8 per cent. cannot read and write *any* language; and that even if we leave out of the calculation all the wild tribes, to the number of 647,740 persons, and all civilized Filipinos under ten years of age, the proportion of illiterates is eighty per cent.

CHAPTER XIV

CONCLUSION

IN the introductory chapter I dealt briefly with such general features of tropical civilization as appeared to form a proper subject of consideration before embarking upon a study of some of the specific problems of European and American administration in the Far East; and in bringing this volume to a conclusion it may not be out of place if I attempt to trace in the mass of facts which have passed under our notice some underlying unity of purpose, some coherent principle of action, some broad, general effects, as the cause or consequence of the activities which have formed the material of our inquiry.

The origin of Western rule in the various countries of Southeastern Asia suggests a number of interesting comparisons and analogies.

In regard to the possessions of the four Powers which have been discussed in this volume the motives which lay behind their peaceful acquisition, or the circumstances which led to their conquest, place England and Holland in one category, the United States and France in another.

At the time when England and Holland acquired their first Asiatic possessions, in the seventeenth

century, the internal conditions of each country were such as to make colonial expansion a natural development of the forces which had been generated by the progress of discovery and the growth of commerce since the Middle Ages.

Each country found itself face to face with serious economic problems arising out of the rigid monopoly of tropical trade which had been established by Spain and Portugal. *Holland's existence depended upon Eastern trade*

For the Dutch this monopoly meant nothing less than national ruin from the moment when Portugal passed under the Spanish Crown, and Spain, as part of her war policy, closed to Dutch ships the great Oriental trade on which the economic welfare of Holland depended.

In England the conditions were not less favorable to the idea of over-sea expansion. Already the country was over-populated in relation to the agricultural and industrial methods of the time, and an exaggerated idea of the wealth and prosperity of Spain and Portugal fostered the belief that in tropical commerce lay the economic salvation of the Kingdom. *England overpopulated; tropical commerce thought to be great source of wealth*

To these causes of the commencement of an English trade with Asia may be added a national characteristic common to all peoples whose home is an island domain or one which has occupied, during any considerable period of the national growth, an isolated position in relation to the general movement of human events, namely, a strong resentment against any claim of superior or even of equal rights *Insularity pushed England on to expand like European powers*

made by any foreign power in regard to matters touching the interests, real or imaginary, of the nation.

The existence of this characteristic as a great national force may be traced with the greatest distinctness in the events of the past century. Isolated China regards herself as the mistress of the world, and she has fought half a dozen wars in support of the idea; insular Japan has been quick to resent the interference of Russia in matters which affect Japanese interests on the mainland; the United States, which was practically isolated from Europe until within the memory of the present generation, has given the world the Monroe Doctrine as an expression of her intolerance of European influence in the affairs of the American continent.

The inordinate development of this characteristic in insular and in isolated countries is due to a simple cause. The inhabitants of such countries have never been compelled, as have the natives of continental Europe, to live in intimate contact with other people having national traits and national policies equally developed with their own, and possessed of powers of action immediately applicable to any purpose of the national will; and the absence of this contact has relieved the insular and isolated countries from the necessity of constantly adjusting their policies to the standard of what they can do rather than to that of what they wish to do.

In other words, they have never been compelled to adopt give-and-take as the basis of their actions,

and they have, therefore, had little training in the art of putting up with an international grievance simply because of the danger of attempting to secure redress.

To the insular mind of the Englishman of the seventeenth century the claims of Spain and Portugal to the sole right of navigation and trade in the Eastern seas appeared an intolerable pretension ; and when the breach of that monopoly became a question of national pride as well as one of national profit we find England joining Holland in an invasion of Southeastern Asia and in the establishment of dependencies in that part of the world.

Such, in brief, was the origin of Dutch and British rule in the Far Eastern Tropics, and to this day their presence there rests almost entirely upon economic considerations.

When we turn our attention to France and the United States we observe that these countries have become the neighbors of Holland and England in the Far East through causes totally different from those which have been described above.

Neither France nor the United States has been driven to territorial expansion in Asia through causes due to the pressure of population at home ; neither has had the excuse that the monopolistic policy of other nations has compelled them to conquer Asiatic countries in order to find markets for their manufactures or a suitable ground from which to supply their demands for tropical products.

To the enterprise of France and of the United

States the vast area of the British Empire is still as freely open as it is to the energy of Englishmen; and although this liberality has been rewarded in each case by a resort to every device which ingenuity could suggest as likely to injure the trade of England, there was no prospect, when France occupied Indo-China or when the United States acquired the Philippine Islands, that England intended to serve either country with a taste of its own policy.

We must seek to account for the presence of France and the United States in the Orient on other grounds than those of national necessity.

U.S. entered

Asia by accident.

The case of the United States is simple in the extreme; it may be summed up in the phrase "expansion by accident;" for at the time of the outbreak of the Spanish-American war no one in the United States had any prevision that the conflict would result in the curious anti-climax of freeing one Spanish colony from a foreign yoke and fighting a war with another Spanish colony in order to bring it under a foreign yoke.

The presence of the United States in the Philippines is merely a bye-product of the liberation of Cuba; and the antithesis established in the preceding paragraph is purely dialectical, for it represents an unforeseen and unavoidable consequence of the Spanish-American war rather than any deliberate and prearranged departure from the national policy.

The French conquest of Indo-China during the latter half of the nineteenth century is one of a

long series of colonial adventures in the tropics, which cannot be explained by reference to any real need of the French people for tropical dependencies.

Viewed from the historic standpoint French colonial expansion is divided into two periods. During the first of these France acquired her West Indian possessions, and her foothold in India, in the course of wars connected with various European quarrels; and although there was, no doubt, behind these wars some consideration of the value of tropical dependencies as such, their acquisition was not undertaken because they represented favorable areas for exploitation, but because their conquest was a move in the great game of European politics.

But at the beginning of the nineteenth century France had lost practically the whole of her Colonial Empire; and the recrudescence of a policy of territorial expansion in Asia occurred at a time when the causes which had led to the earlier colonial movement had ceased to have any bearing on national or on international affairs.

The moment for planting colonies of Frenchmen in non-tropical countries, and thus securing a true extension of the French nation, was past, for even as early as the end of the Napoleonic wars, every non-tropical portion of the world which was susceptible of conquest and settlement had been occupied by England or Russia or was clearly marked (as in the case of Trans-Caucasia and Australasia) for such occupation.

The only other material reason for colonial expansion, in the absence of a superabundant population, was the need of trade areas; and it was a need which France had not yet begun to feel.

The French conquest of Indo-China cannot, therefore, be attributed to the existence of any material national interests which would have suffered if the country had remained independent or had fallen under other foreign control; and the French action in the matter rested rather upon a mental trait of the French character than on any material consideration which the nation at large had in view.

The Frenchman is brave, patriotic, imaginative; and he is filled with a very proper and justifiable pride in the great achievements of his nation. To men of this temperament the spectacle of other countries constantly engaged in over-sea adventure, in adding island to island and province to province, and in reaping the rewards of exploration and warfare, could scarcely fail to prove an irresistible temptation; and thus the history of modern French colonization is that of the pride of rivalry, the joy of emulation, and has little concern with the persistent pursuit of a serious end closely related to the welfare of the nation.

If the origin of the Western Governments in Southeastern Asia exhibits a variety of causes operating towards the same result of alien control of numerous tropical territories, the principles on which these countries have been governed and the

methods of administration which have been adopted in them are no less diverse in character.

These differences have been exhibited at some length in previous chapters, and my present object is merely to draw a few general conclusions which suggest themselves from a study and comparison of the facts already before us.

England and Holland established themselves in the Far Eastern Tropics through the agency of trading companies, and until the beginning of the nineteenth century the government of these commercial outposts was in the hands of tradesmen and investors in Europe.

It was not until the middle of the nineteenth century that the effective control of the British and Dutch dependencies in Asia passed to the legislatures of the Sovereign States in Europe, although the trial of Warren Hastings, from which we date administrative reform in British India, commenced in 1788, and the bankruptcy of the Dutch East India Company, which threw the control of Netherlands-India into the hands of the Crown, occurred in the last decade of the eighteenth century.

The abuses which marred the administration of the Dutch and of the English East India Companies present an interesting difference in their general character.

The Dutch, up to the time when their Company was abolished, had never exhibited any high qualities of colonial statesmanship; and the officials of

Netherlands-India occupied themselves chiefly with such matters as appealed to the imagination of the Directors in Holland.

The result is that the student finds little record of action in the higher field of colonial government and a vast literature of commercial transactions.

In this material evidence is not lacking of serious evils in the local administration, and of severe oppression of the lower classes by the native rulers, who exacted from the people the amount of forced labor necessary to secure the trade products required by the Dutch.

What oppression there was, what injustice befell, what suffering was endured, concerned a people who, for the purposes of historical record, were inarticulate; and thus in the early accounts of Netherlands-India there are no Warren Hastings trials and no detailed revelations under the searchlight of European investigation.

In British India the whole circumstances were entirely different. Here the record contains comparatively little about the Company's shop-keeping, but is filled with the narrative of great and stirring events.

The abuses of the Company's rule in British India seldom touched the common people; they affected the affairs of the most powerful native princes; and each grievance, real or imaginary, was magnified a thousand-fold before it reached Europe, for the aggrieved person had the power as well as the desire to make himself heard.

It is very easy, therefore, to fall into the common error of believing that the Dutch East India Company was more humane in its dealings with the natives than its English rival; but it must be remembered that the evils of administration in British India, falling as they did chiefly on the upper classes, left the natives at large better off in many respects than they had been under their own rulers, whereas in Netherlands-India the worst effects of the system of government were felt only by the lowest classes, which were the least able to defend themselves or to leave a record of their treatment.

The gradual improvement of administrative methods in the British and Dutch dependencies in Asia is due to a number of causes. The growth of popular interest in colonial affairs which has followed the universal spread of newspapers and magazines amongst the public; the eagerness with which, under our modernized form of party government, the Opposition seizes upon any colonial topic which can be turned to political account; the increase of colonial travel and the augmentation of colonial trade which have occurred *pari passu* with the improvement of means of communication; the ability of instant protest and publicity at the seat of government, which the submarine cable has placed at the disposal of every colonial malcontent; these factors have gone far towards removing all serious abuses in the government of those tropical dependencies which lie on or near the ordinary routes of commerce.

But behind these elements of reform lies the mental development of the age, which has endowed us with such a keen sensitiveness to injustice or harshness of any kind that no evil which is great enough to reach the public conscience, through any one of the numerous channels which are open to any one who has a tale to tell, can long remain unchecked.

The United States and France embarked upon their careers in Southeastern Asia at a time when the principle of a just and tolerant rule over dependent races had already been adopted and applied by England and Holland.

The French in Indo-China have based their rule upon the utilization and control of the native institutions of government as they found them; and although the improvements which have been effected in the higher branches of the Government are of recent date, there can be traced from the very first a degree of sympathy with native ideas which is apparent even when the acts of administration show the greatest lack of adjustment to local conditions.

In the final moulding of a government in Indo-China the French enjoyed the advantage of combining with a democratic sentiment, no less real than that of the Americans, some experience of democratic institutions in the tropics — a valuable heritage of their West Indian experiences — and they have thus been spared the inconvenience and disappointment which would certainly have followed any attempt to found a democratic state on the banks of the Mekong.

When we turn, finally, to the work of the United States in the Philippines we are confronted with a number of facts of the greatest interest to students of comparative colonization.

The United States took up the task of administering the affairs of a tropical dependency so late in the day that practically every important problem of subordinate government in the tropics had already been the subject of experiment, successful or otherwise, by one or more of the great Colonial Powers.

As far as any influence it has exerted on the policy of the United States in the Philippines the history of tropical colonization as a phase of the national activity of England, France, and Holland might as well have remained unrecorded.

Each question, whether of principle or method, which has arisen in the Philippines has been approached as though it were an absolutely new problem, and the whole field of experimental administration has been thrown open to the ingenuity of a rapidly changing corps of officials.¹

¹ In this connection it may be noted that two commissions have been appointed to inquire into the work of other nations in the Far East. In completion of one of these Professor Jenks issued an admirable Report, but his recommendations, except in the matter of currency reform, have borne no fruit. The other commission was intrusted with the task of reporting on the question of opium legislation in the various Far Eastern Colonies. The Report has not yet been acted upon, and it is impossible, therefore, to judge whether it will have any effect upon Philippine legislation in the line of its recommendations.

In approaching the question of American administration and policy in the Philippines, from the standpoint of what has already been presented to the reader in this volume, it is very necessary at the outset to emphasize the fact that none of the countries which have been described in the previous chapters is in any true sense a colony, and that the whole significance of our data rests on the circumstance that there can never exist in any part of the Far Eastern Tropics a population which is not, for all practical purposes, completely tropical in its general character.

We have been dealing, then, not with colonies but with dependencies;¹ and the vital importance of this distinction becomes more apparent when we consider, on the one hand, the general trend of

¹ Throughout this volume I have used the words "colony" and "colonial" in the generally accepted, if inaccurate sense of a dependent state or matters pertaining to a dependent state, regardless of whether the territory referred to is in reality a colony or a dependency. It is almost impossible to avoid this use of words, for there is no adjective derived from the word "dependency" which can be used in such phrases, for instance, as "colonial policy" where the matter is really one relating to the policy towards a dependency. There is no such thing, strictly speaking, as a tropical *colony*; but this use of the word is sanctioned by custom. The exact phraseology appropriate to the different conditions is "colony" for those dependent states where there is or can be permanent white settlement on a large scale, and "dependency" for those dependent States in which the population is and always must be composed chiefly of natives of the tropics.

development in each class of territory, and, on the other hand, the fallacies which have arisen in recent discussions of American expansion from the confusion of ideas due to an insufficient appreciation of the difference between the two kinds of subordinate countries.

The War of American Independence arose through causes which had their origin in the inability or unwillingness of the British Government to realize the difference between a colony and a dependency; and the most important result of that war, as far as the British Empire was concerned, was the firm and final establishment of that difference in the public mind.

The nineteenth century witnessed the full expression of the new idea in the growth of British colonial policy. Canada, Australia, New Zealand, South Africa, in a word all the subordinate Provinces of the British Empire, in which white men are able to establish a permanent home, have been granted responsible self-government in a form which leaves them a mastery of their internal affairs as complete as that which is enjoyed by the various component parts of the United States.

But if the political destiny of non-tropical colonies is clearly indicated by the experience of the great self-governing States of the British Empire, that of tropical dependencies is not less surely revealed by the history of the government of tropical races by white rulers.

In the whole range of British imperial experi-

ence there cannot be found an instance of any territory in which white men cannot effect a permanent settlement on a large scale where there has not been established and maintained a strictly dependent form of government; and even in those tropical dependencies which enjoy a rudimentary system of popular representation (such as British Guiana and Jamaica) we find that the final word in all matters of administration is spoken by the Colonial Office.

The colonial history of France also affords an excellent example of the evolution of dependent governments; and it discloses a complete change of practice as a result of actual experiment.

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The older dependencies of France (Martinique, Guadeloupe, and Réunion), which received their constitutions at a time when the democratic enthusiasm of the French people was still in its first vigor, were endowed with representative institutions; and practically every negro was given a vote.

Between this act and the growth of the new Colonial Empire of France there intervened a period of thirty years, during which an opportunity was afforded of observing the operation of the liberal constitutions of the old dependencies.

Every writer whose opinions have fallen under my notice has placed himself on record in condemnation of the use to which the natives of the older tropical dependencies of France have put the political power intrusted to them for the management of their affairs. The history of these dependencies

has, in fact, been one of disorder, injustice, brutality, incompetence, and corruption.

These facts became matters of common knowledge in France ; and in the new French dependencies not a single constitution has been granted which places any effective control of the administration in the hands of the natives.

In the tropical dependencies of Holland, Germany, and Portugal the Government is entirely under the control of officials of the Sovereign State.

Even when we turn to the over-sea possessions of the United States we find that, as a matter of fact, despite a great deal of talk about absolute self-government and not a little self-complacent oratory in regard to the wide liberality of American policy as compared with that of the European Powers, neither Porto Rico nor the Philippines has yet been granted a constitution differing in any material political feature from that of a British tropical dependency.

Finally, at the time this volume goes to press, the United States has found it necessary to assume control of the financial affairs of St. Domingo (one of the so-called Republics which reared themselves on the ruins of the Spanish Empire in America), which has gone from bad to worse during two generations of self-government.

The literature which treats the recent expansion of the United States has already assumed the proportions of a library ; but it is not necessary to go very far afield in this material in order to discover

that a great number of writers have drawn their arguments in favor of the establishment of independent self-government in the Philippines from a mistaken application of the experience of the British non-tropical colonies.

If Canada and Australia are capable of self-government, why, we are asked, may not the Philippines look forward to a time when they too shall enjoy the advantages of advanced democratic political institutions?

To this query the facts which I have presented above should furnish a convincing reply. The reason why no such future is possible for the Philippines is that universal experience has shown that the inhabitants of a tropical country, where the native character has not been changed by a large admixture of European blood, are not capable and cannot be made capable of maintaining a political system which can so administer the Government as to avoid serious complications with foreign States as a result of the disorder which is the invariable accompaniment of purely native rule.

As far as I am able to judge, however, from a perusal of the general current literature relative to the question of American over-sea expansion, the appeal to past experience as a guide to present action is regarded by at least a considerable section of the American public as doctrinaire and wide of the mark.

Although no attempt is made to controvert the overwhelming mass of facts which go to place the

Philippine Islands in exactly the same category as all other tropical dependencies; although the United States has had some experience within its own borders of the political capacities of a tropical race, which is for many reasons more favorably situated than are the Filipinos for the enjoyment of popular self-government; although South and Central America, where the mass of the voters are greatly superior to what will constitute the same class in the Philippines, are speaking witnesses of the incapacity of tropical peoples for independent self-government, the American people seem prepared to accept hope rather than experience as the basis of their policy; and the date has already been fixed when the control of the Philippines is to pass to a popular assembly elected by the natives of the Islands.

A sober statement of an American view as to the future of the Philippines appeared in the editorial columns of "The Outlook," on December 31, 1904, and a portion of this I reproduce: "The American believes that every race of man in every land and in every climate can become in time 'a creature of schools, ballot-boxes, and free political institutions.' That is more than a political opinion bred in the school of experience; it is more than a political conviction born with the birth of the Nation; it is a spiritual faith. . . . But no argument can change the conviction of the American people that expenditures for an education which makes men add more to the wealth of a commun-

ity than expenditures which make roads, irrigating systems, forest conservancy, and good market places. No arguments can shake their faith that it is possible to make of the Filipino people a people of schools, ballot-boxes, and free institutions. If this is an ideal of the imagination, it is one to the realization of which the American people have committed themselves, and from their self-appointed task 'The Outlook' does not believe any arguments derived from the experience of the past will induce them to draw back."

As an ideal this leaves nothing to be desired; as a practical question of what is possible and what is impossible it lacks only a single hope of success which can be founded on any fact in connection with the history of tropical peoples.

It should not be overlooked that the experiment of converting Filipinos into Americans is being conducted at the risk and at the expense of the Filipinos, and that what for the United States is nothing more than a matter of interesting observation is for the Filipinos an affair of the most vital importance, in which success can place them in no better position than they would enjoy under an enlightened form of colonial government, but in which failure will plunge them into the most terrible political and social disorder.

The view of "The Outlook" which I have quoted above represents a deliberate renunciation of the lesson of history in favor of an appeal to a national sentiment developed and fostered under circum-

stances as widely different from any which have ever existed or ever can exist in the Philippine Islands as it is possible to conceive. It is the expression of a faith great enough to move mountains; and it is a view which I can respect without being able to yield to it the smallest degree of acquiescence.

But what can be said of the following opinion which has recently come to me from a private correspondent, and which is typical of much that has been written and spoken in recent years about Philippine affairs? "There is something more than facts — the ideal, and the human will, which is inspired by faith in it. . . . What we did to Japan was finer than what Warren Hastings or Sir Edward Clarke¹ have done, and if we give up the Philippines and demand their neutralization we shall have done a bigger thing than the centuries of English colonization have accomplished."

There can be no argument about an opinion of this kind, for the mental standpoint of my correspondent is as unassailable as that of the man who says, "These two verses of Browning have done more for the advancement of humanity than all the triumphs of the engineer, the chemist, and the surgeon."

¹ I do not understand my correspondent's reference to Japan. I cannot recall any occasion on which the United States had the choice of retaining Japan as a dependency or of securing her neutralization. The reference to Sir Edward Clarke is probably intended for Sir Andrew Clarke.

No one who has lived in the United States, as I have done, for five years, can have failed to be impressed by the extraordinary progress of that country of marvels or to have realized in how great a measure the unbounded success of the American people is due to a free and untrammelled growth unhampered by any regard for tradition or precedent.

In a country situated like the United States, enjoying a temperate climate, endowed as to the people with irresistible energy, as to the soil with inexhaustible resources, and, as a consequence of these, with great wealth, the carving out of new political ideals and new administrative methods is one of the healthiest indications as well as one of the best results of a vigorous national life.

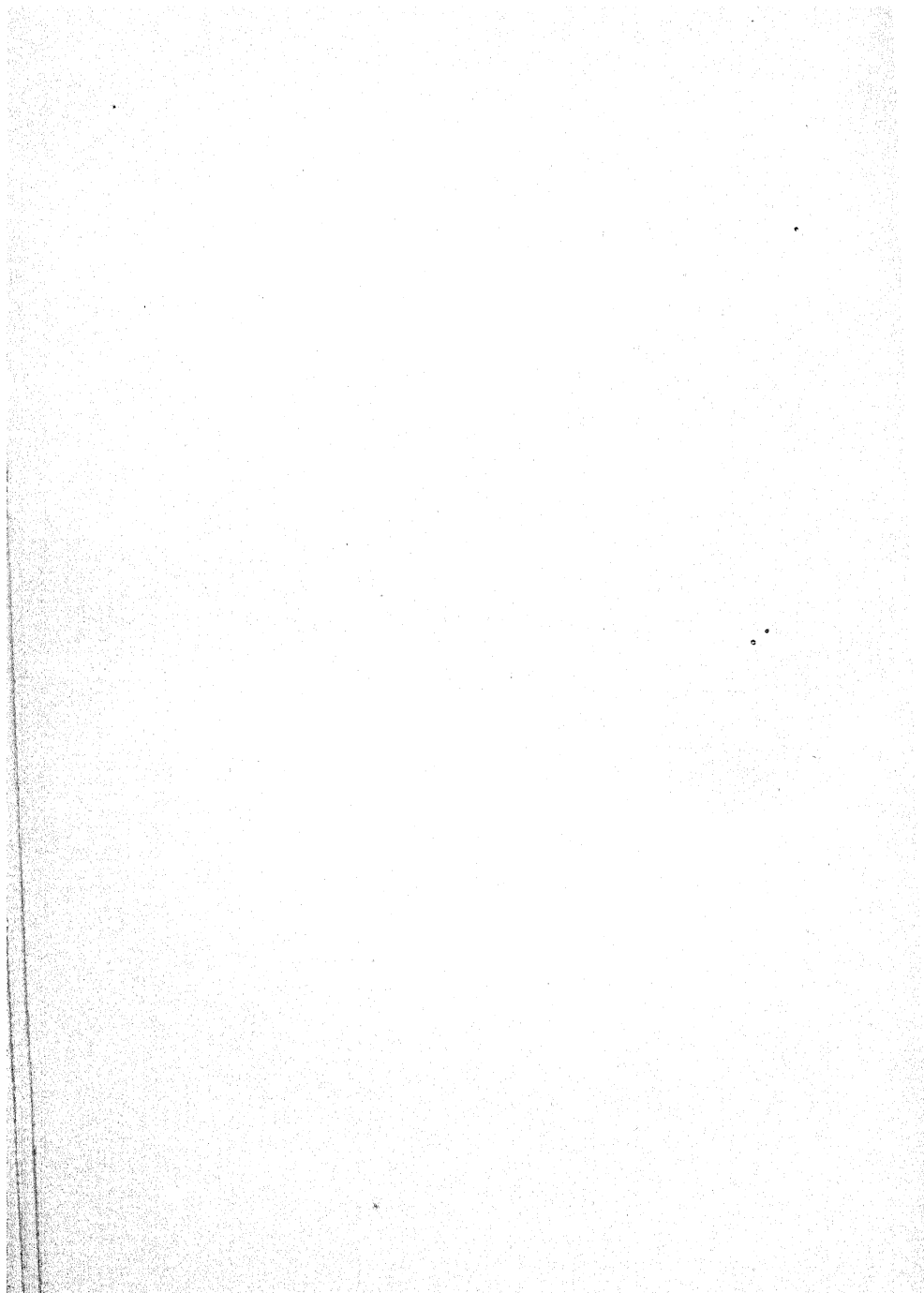
But this wonderful growth of the United States is the product, fundamentally, of a new and unparalleled phenomenon in history — the rapid expansion of a society composed of the most diverse elements over a territory of the most varied resources, at a time when science had placed at the disposal of man infinite capacities of progress which were not available during the growth of the older nations.

In attempting to transplant to the Philippines their social and political institutions, products of the unique conditions of the United States, the Americans show a remarkable blindness to the causes of their own development, for every natural circumstance which has contributed to the growth

of a distinctively American civilization is wanting in the Philippine Islands.

Everything points to-day towards a constantly increasing interest in Europe and in America in colonial affairs, and people appear to be awaking to a realization of the importance of the tropical regions of the earth as a source of supply for food-stuffs, metals, and other commodities of necessity in our modern scheme of existence.

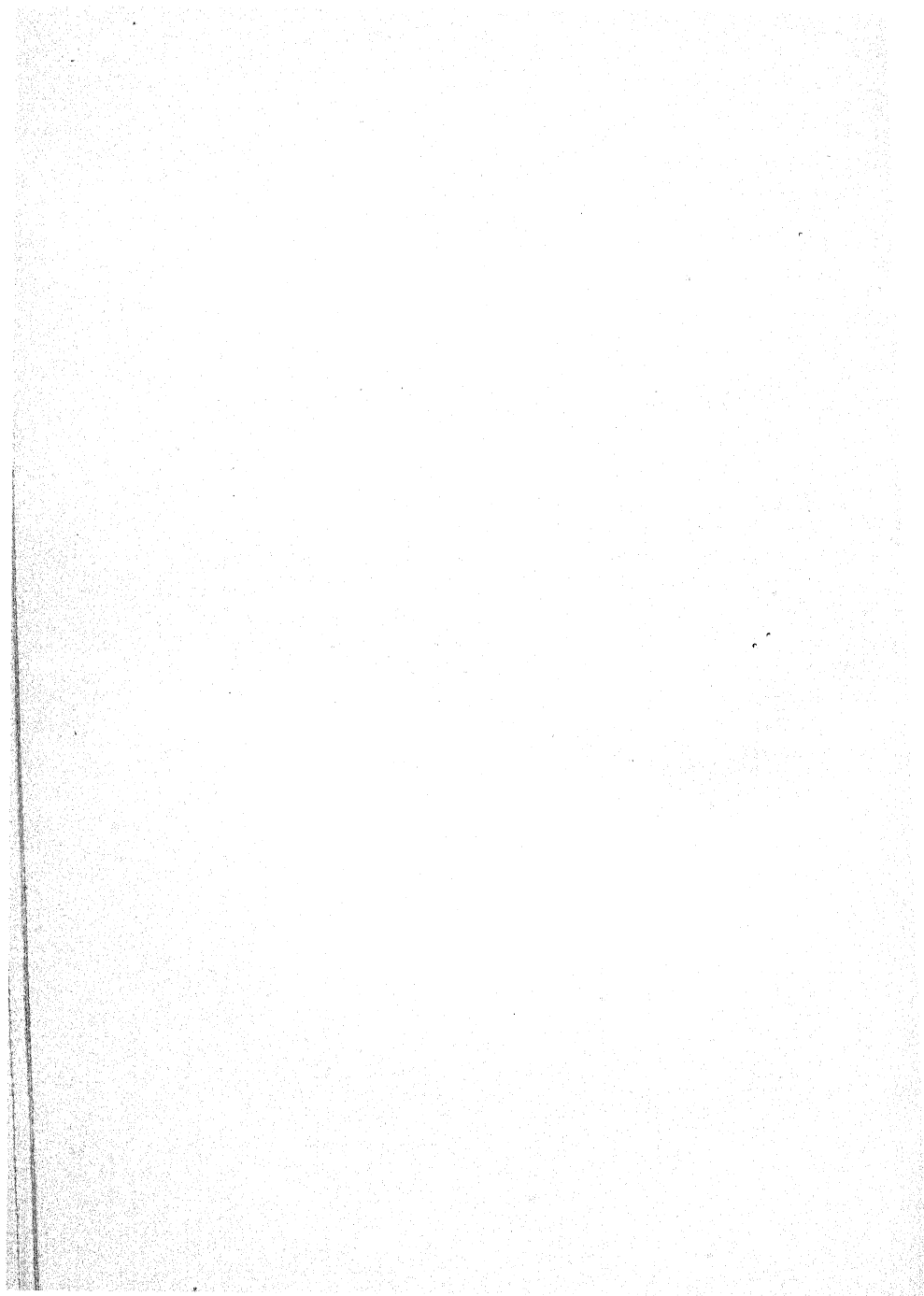
The future will no doubt witness a closer and more intelligent study of colonization than has been in vogue up to the present time ; and if this volume should in some small degree stimulate the public interest in one of the most fascinating and useful fields of investigation open to the student of political science, it will have served a good purpose.



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HONG KONG

AREA

30.5 square miles

This is exclusive of the area of the New Territory on the Chinese mainland, leased to the British Government in 1898, which has an area of 375 square miles.

POPULATION

Total civil population, Census of 1901

Europeans and Americans	6,431
Chinese	274,543
Other nationalities	2,931
Total	283,905

Estimated population, 1904—317,130.

To the estimate for 1904 may be added :

Military population	8,500
New Territory	110,000

HONG KONG FINANCES

The following table shows the fluctuations in the value of the local dollar, in which all accounts are kept.

THE HONG KONG DOLLAR EXPRESSED IN U. S. CURRENCY

	Highest	Lowest		Highest	Lowest
1894	54 cents.	46 cents.	1899	48 cents.	46 cents.
1895	54	46	1900	50	46
1896	54	50	1901	50	44
1897	50	42	1902	46	38
1898	46	44	1903	48	38

The above rates are calculated to the nearest cent.

Revenue and Expenditures in Local Dollars

	Revenue	Expenditures		Revenue	Expenditures
1894	2,287,203	2,299,096	1899	3,610,143	3,162,792
1895	2,486,228	2,972,373	1900	4,202,587	3,628,447
1896	2,609,878	2,474,910	1901	4,213,893	4,111,722
1897	2,686,914	2,641,409	1902	4,901,073	5,909,548
1898	2,918,159	2,841,805	1903	5,238,857	5,396,669

Public Debt

Hong Kong has a Public Debt of £341,799 sterling.

HONG KONG SHIPPING

Tonnage of shipping ENTERED, exclusive of junks in coasting trade

	British	Chinese	Other Nations	Total
1894	3,889,852	1,862,216	1,223,147	6,975,215
1895	4,297,342	1,960,458	1,359,203	7,617,003
1896	4,382,546	2,129,727	1,538,812	8,051,085
1897	4,133,151	1,974,358	1,674,870	7,782,379
1898	4,362,837	2,077,116	2,014,030	8,453,983
1899	4,362,206	2,102,240	2,105,758	8,570,204
1900	4,588,610	1,741,397	2,296,607	8,626,614
1901	4,615,022	1,650,204	2,749,729	9,014,955
1902	4,786,401	1,788,349	3,292,736	9,876,486
1903	5,633,563	1,568,545	3,663,326	10,865,434

HONG KONG TRADE

Hong Kong is a free port and no complete returns of Imports and Exports are available. The trade of Hong Kong is almost entirely a transit trade.

BRITISH NORTH BORNEO

AREA

31,106 square miles

POPULATION

Census of 1901

Europeans	195	Natives of Borneo	
Eurasians	40	Bajau	10,885
Chinese	12,282	Brunei	6,767
Japanese	149	Dusun	33,456
Siamese	13	Dyak	542
Arabs	29	Idahan	862
Malays	1,071	Illanun	320
Natives of India	442	Kedayan	2,612
Of Dutch Indies	3,960	Murut	12,230
Of Sulu	6,371	Orang Sungei	4,784
Sarawak }	67	Orang Padas	6,784
Malays }		Tangaras	474
		Tutong	190
TOTAL			104,525

The present population is estimated at 175,000. This estimate includes districts which were not reached by the Census of 1901.

BRITISH NORTH BORNEO SHIPPING

Tonnage of shipping ENTERED at the Port of Sandakan

1894	42,212	1899	97,868
1895	44,583	1900	98,914
1896	60,000	1901	108,882
1897	95,300	1902 }	no returns
1898	98,832	1903 }	available

BRITISH NORTH BORNEO FINANCE

The following general facts about the finances of British North Borneo are taken from the Balance Sheet of the British North Borneo Company issued on December 31, 1903 :

Authorized Capital	£2,000,000
Capital issued	752,975
Issue of 5 % Debentures	200,000
Issue of 5 % Bonds	200,000

Revenue and Expenditure in local dollars

The following figures for finance and trade are in local dollars which follow very closely the rate of exchange in Hong Kong, for which see p. 285 :

	Revenue	Expenditure		Revenue	Expenditure
1894	316,069	329,527	1899	546,129	568,347
1895	349,414	397,184	1900	587,226	402,859
1896	411,699	496,015	1901	658,930	431,219
1897	437,028	574,490	1902	830,157	541,980
1898	505,369	633,051	1903	918,059	609,927

From 1900 onward a large portion of the Expenditure has been charged to Capital Account. The expenditures thus charged are for Railway and Telegraph Construction, Public Works, Government Vessels, etc. These expenditures were in 1902, 1,070,215 dollars ; in 1903, 1,196,336 dollars.

TRADE OF BRITISH NORTH BORNEO

Value of Imports and Exports in local dollars. Value of treasure included

	Imports	Exports		Imports	Exports
1894	1,329,066	1,698,543	1899	2,456,999	3,439,560
1895	1,663,906	2,130,600	1900	3,178,929	3,336,621
1896	1,822,188	2,473,753	1901	3,262,763	3,382,387
1897	1,887,498	2,942,293	1902	3,807,621	3,671,004
1898	2,419,088	2,839,845	1903	3,229,310	4,212,151

SARAWAK

AREA

50,000 square miles

POPULATION

No census has ever been taken. The population is estimated at 500,000, consisting of Dyaks, Malays, Chinese, a few Europeans, Arabs, Natives of India, and of the Dutch East Indies.

SARAWAK FINANCES

Revenue and Expenditure in local dollars, which follow closely the rate of exchange in Hong Kong, for which see p. 285

	Revenue	Expenditure		Revenue	Expenditure
1894	457,596	486,533	1899	851,438	843,230
1895	453,800	462,383	1900	915,966	901,172
1896	493,760	444,200	1901	1,046,318	953,818
1897	565,789	504,100	1902	1,192,039	1,139,287
1898	638,188	543,507	1903	1,391,612	1,277,558

PUBLIC DEBT

The Public Debt of Sarawak on Dec. 31, 1903, was \$25,000.

SARAWAK SHIPPING

Tonnage of vessels ENTERED in the foreign trade

1894	26,097	1899	20,803
1895	25,052	1900	22,062
1896	26,222	1901	36,158
1897	22,403	1902	55,190
1898	22,503	1903	46,912

TRADE OF SARAWAK

Value of Imports and Exports in local dollars. Value of treasure included

	Imports	Exports		Imports	Exports
1894	1,861,859	2,105,972	1899	3,281,609	4,467,006
1895	1,915,597	2,206,723	1900	3,848,679	5,217,036
1896	2,274,159	2,425,565	1901	4,404,644	5,900,925
1897	2,489,288	2,732,478	1902	4,959,720	6,796,588
1898	2,906,143	3,367,141	1903	5,849,629	7,512,440

BURMA

AREA

Burma Proper	168,573 square miles.
The Chin Hills	10,250
The Shan States	59,915
Total	238,738

POPULATION

Census of 1901

Burma Proper	9,252,875
The Chin Hills	100,305
The Shan States	1,137,444
Total	10,490,624

Population according to Religions

Religious data were not returned for 1,260,722 persons.

	Number	Proportion per 10,000		Number	Proportion per 10,000
Buddhist	8,223,071	8,910	Hindu	279,975	303
Animist	237,508	257	Christian	145,726	158
Mussulman	337,083	365	Others	6,539	7

BURMA FINANCES

The unit used in the statistics of finance and trade of Burma is the rupee, equal to 1s. 4d. sterling, or 32 cents U. S. currency.

*Revenue and Expenditure of Burma*¹

	Revenue (In rupees)	Expenditure		Revenue (In rupees)	Expenditure
1894	45,681,636	28,663,243	1899	75,184,680	45,975,994
1895	49,008,390	29,354,494	1900	78,624,281	51,345,687
1896	52,419,874	29,033,927	1901	85,764,911	56,069,742
1897	50,076,732	27,969,242	1902	86,935,538	58,580,745
1898	68,460,076	44,631,771	1903	96,905,643	63,287,232

¹ These figures are taken from the financial statement published annually in the "Report on the Administration of Burma." They represent the Gross Receipts and Expenditures, and they include the transactions of the Rangoon and Moulmein Municipalities, of the Rangoon Port Trust, and of the Rangoon Pilot Fund.

BURMA SHIPPING

Tonnage ENTERED at ports of Burma, in the foreign trade

These figures exclude entries from ports of India, which are regarded as part of the coasting trade.

	British	Foreign	Total
1894	426,850	79,132	505,982
1895	539,929	76,755	616,684
1896	547,365	96,051	643,416
1897	466,934	74,785	541,719
1898	504,386	95,076	599,462
1899	618,603	105,345	723,948
1900	604,020	107,018	711,038
1901	579,128	100,771	679,899
1902	632,410	125,399	757,809
1903	returns not available		

TRADE OF BURMA

Value of the total sea-borne trade of Burma, excluding transactions on Government Account

	Imports	Exports
	(In rupees)	
1894	98,594,075	114,058,201
1895	83,268,876	136,707,705
1896	102,200,971	141,146,432
1897	98,909,551	145,722,889
1898	114,493,022	163,561,893
1899	116,808,404	164,667,442
1900	125,865,444	186,434,440
1901	144,331,536	214,074,674
1902	138,930,649	188,945,167
1903	148,138,800	225,627,286

THE FEDERATED MALAY STATES

AREA

Perak	6,500 square miles
Selangor	3,200
Negri-Sembilan	2,600
Pahang	14,000
Total	26,300

POPULATION

Census of 1901

	Europeans	Eurasians	Chinese	Malays	Tamils	Others	Total
Perak	661	591	149,375	141,723	34,710	2,605	329,665
Selangor	487	576	108,768	40,384	16,748	1,826	168,789
Negri-Sembilan	140	309	32,901	56,917	5,526	235	96,028
Pahang	134	46	8,695	73,462	1,227	549	84,113
Total	1,422	1,522	299,739	312,486	58,211	5,215	678,595

Under "Tamils" in the above table are included other natives of India. The estimated population of the Federated Malay States in 1903 was 801,240.

FEDERATED MALAY STATES FINANCES

In local dollars, which follow very closely the course of exchange in Hong Kong, for which see p. 285

	Revenue	Expenditure
1894	7,511,809	7,162,396
1895	8,481,007	7,582,553
1896	8,434,083	8,598,147
1897	8,296,687	8,795,313
1898	9,364,467	11,110,042
1899	13,486,410	11,499,478
1900	15,609,807	12,728,930
1901	17,541,507	17,273,158
1902	20,550,543	15,986,247
1903	22,672,567	16,219,872

PUBLIC DEBT

The Government of the Federated Malay States has no Public Debt. It has never raised a loan.

FEDERATED MALAY STATES SHIPPING

Tonnage of vessels ENTERED, exclusive of native craft

	Perak	Selangor	Negri-Sembilan	Total
1894	168,859	184,967	132,442	486,268
1895	161,611	194,617	106,910	462,138
1896	143,069	195,689	70,760	409,518
1897	131,986	180,221	51,906	364,113
1898	129,063	190,705	61,531	381,299
1899	128,137	158,231	92,461	378,829
1900	138,824	181,768	102,864	423,456
1901	157,409	211,113	158,935	527,457
1902	173,299	307,523	214,236	695,058
1903	returns not available			

TRADE OF THE FEDERATED MALAY STATES

Value of Imports and Exports. In local dollars

	Imports	Exports
1894	24,499,615	32,703,147
1895	22,653,271	31,622,805
1896	21,148,895	28,395,855
1897	25,000,682	31,148,340
1898	27,116,446	35,241,003
1899	33,765,073	54,895,139
1900	38,402,581	60,361,045
1901	39,524,603	63,107,177
1902	45,757,240	71,350,243
1903	47,790,059	80,253,944

THE STRAITS SETTLEMENTS

AREA

Singapore	247 square miles
Penang and Province Wellesley	600
The Dindings and Malacca	625
	<hr/>
Total	1472

POPULATION

Census of 1901

Europeans and Americans	5,058
Eurasians	7,663
Chinese	281,933
Malays	215,058
Tamils and other natives of India	57,150
Others	5,387
	<hr/>
Total	572,259

STRAITS SETTLEMENTS SHIPPING

Tonnage of vessels ENTERED (exclusive of Native Craft and vessels under fifty tons burden) in the foreign trade and in trade between the Settlements

1894	5,534,761	1899	6,595,075
1895	5,528,742	1900	7,238,185
1896	6,119,475	1901	8,146,221
1897	6,055,275	1902	8,529,316
1898	6,225,210	1903	9,213,846

STRAITS SETTLEMENTS FINANCES

Revenue and Expenditure in local dollars, which follow closely the rate of exchange in Hong Kong, for which see p. 285

	Revenue	Expenditure		Revenue	Expenditure
1894	3,904,774	3,714,620	1899	5,200,026	5,060,523
1895	4,048,360	3,782,456	1900	5,386,557	6,030,740
1896	4,266,064	3,957,090	1901	7,041,686	7,315,000
1897	4,268,385	4,437,516	1902	7,754,736	7,601,354
1898	5,029,689	4,582,951	1903	7,958,496	8,185,952

Public Debt

The Straits Settlements have no Public Debt.

TRADE OF THE STRAITS SETTLEMENTS

Value of Imports and Exports. Value of treasure and value of trade between the Settlements included. In local dollars

	Imports	Exports
1894	224,151,292	186,786,064
1895	211,046,776	185,813,002
1896	211,478,247	184,297,580
1897	232,011,963	203,977,342
1898	258,723,991	221,985,559
1899	293,178,542	249,221,452
1900	325,251,448	274,454,820
1901	320,520,209	278,753,805
1902	362,935,000	314,035,000
1903	403,037,000	336,689,000

FRENCH INDO-CHINA

I know of no task more difficult than that of securing accurate and comprehensive data in regard to French Colonies.

That I am not alone in this difficulty will be seen from the following passage from "Dix Années de Politique coloniale," by M. J. Chailley-Bert.

He is recounting a conversation with M. Guillain, former Minister of Colonies in France: "No country is so badly informed on the subject of its Colonies as France. Let us suppose that you wish to present, in reply to some deputy, a statement of the actual condition at some given time, I will not say of our whole Colonial Empire, but of one single Colony; you may be sure that such a statement does not exist; that it will take you forty-eight hours to prepare it, and that even then it will involve, in all probability, telegraphing to the Colony. With the exception of yourself, there is no one, not even the best informed Frenchman, who could prepare anything accurate."

Although I was supplied very generously by the Government of French Indo-China with documents relating to the condition of that Colony, I have been unable to extract from them statistical information of the same degree of completeness and accuracy as that relating to the other Colonies dealt with in this Appendix.

AREA OF FRENCH INDO-CHINA

270,000 square miles

POPULATION

No complete census has been taken. The following figures are from "L'Année Coloniale" for 1899.

Cochin-China	2,300,000
Cambodia	1,700,000
Tonkin	7,500,000
Laos	500,000
Total	<u>17,000,000</u>

Whitaker gives the total population in 1904 as 22,500,000.

FRENCH INDO-CHINA FINANCES

Some of the financial and trade statistics are given in francs, some in piastres, in the official records. In the following tables everything has been reduced to francs. The franc is equal to 9½*d.* sterling, or 19 cents U. S. currency.

General Revenue and Expenditure, in francs. Figures taken from the Annual Budget.

	Revenue	Expenditure
1899	44,402,000	44,395,700
1900	53,671,000	53,652,940
1901	57,495,000	57,455,000
1902	65,140,000	65,106,000
1903	63,756,000	63,756,000

The above table represents the finances of the Union or Federation of French Indo-China. In addition each member of the Union has its own local budget. The local budgets for 1903 show the following revenues :

Annam	5,159,000 francs.
Cambodia	4,650,000
Cochin-China	9,929,000
Tonkin	9,955,000
Laos	616,000

TRADE OF FRENCH INDO-CHINA

Value of Imports and Exports, in francs

	Imports	Exports
1894	68,088,060	103,510,661
1895	89,018,496	96,296,151
1896	81,084,040	88,809,575
1897	88,182,991	117,234,062
1898	102,444,346	127,510,979
1899	115,424,493	137,937,288
1900	186,044,387	155,600,385
1901	202,477,670	160,608,377
1902	215,162,998	185,266,589

NETHERLANDS-INDIA

(Commonly referred to as the Dutch East Indies)

AREA

Java and Madura	50,544 square miles.
Sumatra	161,612
Dutch Borneo	212,737
Dutch New Guinea	151,789
Celebes	71,470
Other Islands	88,248
Total	736,400

POPULATION

Census figures for 1900. These figures exclude members of the Dutch Military and Naval Forces. The term "Europeans" includes all half-castes registered as having white blood. The figures under "Natives in the Other Possessions" are simply a rough estimate.

	Europeans	Chinese	Arabs	Indians other than natives of Netherlands-	Natives	Total
Java and Madura	62,477	277,265	18,051	3,114	28,386,121	28,747,028
Other Possessions	13,356	260,051	9,348	13,536	7,000,000	7,296,291
Total	75,833	537,316	27,399	26,650	35,386,121	36,043,319

NETHERLANDS-INDIA FINANCES

All accounts are kept in guildens. The gulden equals 1s. 8d. sterling, or 40 cents U. S. currency.

	Revenue (In millions of guildens)	Expenditure
1894	128.4	138.7
1895	131.2	139.5
1896	133.1	143.7
1897	130.4	148.6
1898	132.4	150.7
1899	142.6	144.4
1900	151.8	146.1
1901	149.3	150.0
1902	145.5	160.0

TRADE OF NETHERLANDS-INDIA

In guildens. Value of treasure included

	IMPORTS	
	Government	Private
1894	7,711,597	167,503,632
1895	8,185,091	153,345,203
1896	7,361,332	160,987,301
1897	5,172,145	176,533,403
1898	8,163,279	171,658,153
1899	4,530,029	186,792,241
1900	9,370,149	186,553,373
1901	10,653,558	218,575,511
1902	13,032,570	189,925,470

Total
175,215,229
161,530,294
168,348,633
181,705,548
179,821,432
191,322,270
195,923,522
229,229,069
202,958,040

	EXPORTS		
	Government	Private	Total
1894	17,022,361	183,063,456	200,085,817
1895	22,281,009	202,806,801	225,087,810
1896	14,325,256	185,305,455	199,630,711
1897	18,305,874	192,108,404	210,414,278
1898	13,560,199	204,193,898	217,754,097
1899	14,944,387	235,978,871	250,923,258
1900	26,954,304	232,079,302	259,033,606
1901	20,217,325	235,024,389	255,241,714
1902	18,347,107	247,124,377	265,471,484

THE PHILIPPINE ISLANDS

AREA

In the following table the area is given of each Island which has an area of 100 square miles or over. The figures are taken from U. S. Coast and Geodetic Survey, Special Publication No. 3, 1900.

	Square Miles		Square Miles.
Basilan	350	Mindanao	36,237
Bohol	1,439	Mindoro	3,972
Burias	163	Negros	4,854
Busuanga	328	Panay	4,708
Catanduanes	680	Palawan	3,937
Cebu	1,742	Polillo	231
Culion	117	Samal	105
Dinagat	259	Samar	5,040
Guimaras	176	Siargao	134
Leyte	2,713	Sibuyan	131
Luzon	47,238	Jolo	241
Marinduque	287	Tablas	250
Masbate	1,290	Tawi Tawi	237

Total area of the Philippine Islands including the estimated area of some unmeasured Islands 119,542 square miles.

POPULATION OF THE PHILIPPINE ISLANDS

Census of 1903

Province or Comandancia	Population	Province or Comandancia	Population
Abra	51,860	Leyte	388,922
Albay	240,326	Manila City	219,928
Ambos Camarines	239,405	Marinduque	51,674
Antique	134,166	Masbate	43,675
Basilan	30,179	Mindoro	39,582
Bataan	46,787	Misamis	175,683
Batangas	257,715	Negros Occidental	308,272
Benguet	22,745	Negros Oriental	201,494
Bohol	269,223	Nueva Ecija	134,147
Bulacan	223,742	Nueva Vizcaya	62,541
Cagayan	156,239	Pampanga	223,754
Capiz	230,721	Pangasinan	397,902
Cavite	134,779	Paragua (Palawan)	29,351
Cebu	653,727	Paragua Sur	6,345
Cottabato	125,875	Rizal	150,923
Dapitan	23,577	Romblon	52,848
Davao	65,496	Samar	266,237
Ilocos Norte	178,995	Siassi	24,562
Ilocos Sur	187,411	Sorsogon	120,495
Iloilo	410,315	Suriago	115,112
Isabela	76,431	Tarlac	135,107
Jolo	51,389	Tawi Tawi	14,638
La Laguna	148,606	Tayabas	153,065
La Union	137,839	Zambales	104,549
Lepanto-Bontoc	72,750	Zamboanga	44,322

Total population of the Philippine Islands 7,635,426

Of this number 6,987,686 are classified as Civilized, and 647,740 as Wild.

FINANCES OF THE PHILIPPINE ISLANDS

I have been unable to find any reliable statistics in regard to the finances of the Philippine Islands during the period of Spanish rule.

The following figures are taken from the Annual Reports of the Philippine Commission.

Comparative Treasury Statement of the Philippine Islands for the fiscal years ending June 30, 1899, 1900, 1901, 1902, 1903

Debit	United States Currency				
	1899	1900	1901	1902	1903
Balance due Government at beginning of year		369,479	2,023,417	6,222,912	5,955,006
Total deposits on account of —					
Customs	3,083,650	5,682,265	9,127,005	8,408,085	9,177,379
Refundable export duties				70,714	521,824
Post-Offices		18,000	95,015	100,217	103,358
Internal Revenue	245,215	522,575	932,484	268,111	212,831
Miscellaneous	134,716	545,869	622,224	601,751	1,175,420
Repayments to appropriations			446,586	3,209,354	4,064,171
Philippine pesos coined from bullion purchased					1,600,000
Sale of certificates of indebtedness					3,075,390
Relief fund voted by United States Congress					3,000,000
City of Manila				1,067,871	1,577,416
Total Debit	3,463,581	7,138,189	13,286,734	19,949,018	30,502,798
<i>Credit</i>					
	1899	1900	1901	1902	1903
Total withdrawals	3,094,102	5,114,722	7,063,821	13,361,320	19,528,338
Total net differences due to change of official ratio of exchange in conversion of Mexican to United States currency				592,691	340,766
Balance due the Government at close of year	369,479	2,023,417	6,222,912	5,995,006	10,633,693
Total Credit	3,463,581	7,138,189	13,286,734	19,979,018	30,502,798

The following table shows the Revenue and Expenditure of the Insular Government for the fiscal year 1903. These figures include the revenue and expenditure of the City of Manila, but exclude those of the Provincial Governments and the amount of the Congressional Relief Fund. The Provincial

Revenues during 1903 amounted to \$2,548,259 U. S. currency, and the Congressional Relief Fund amounted to \$3,000,000 U. S. currency.

Revenue and Expenditure of Philippine Islands, 1903

	Debit	Credit
Ordinary revenue exclusive of all refundable items	11,506,535	
Extraordinary revenues exclusive of all refundable items	586,194	
Ordinary expenditures		8,992,139
Extraordinary expenditures		3,564,976
Excess of expenditures over revenues	482,385	
Total	12,557,116	12,557,116

SHIPPING OF THE PHILIPPINE ISLANDS

Tonnage of shipping ENTERED in the carrying trade

1901	1,644,528	1903	2,354,742
1902	1,906,733	1904	2,471,293

The tonnage is not divided in the returns according to nationality; but the value of cargoes is divided in this manner, and gives the following results for imports during the fiscal year ending June 30, 1904:

Value of imports brought in	U. S. dollars
American vessels	2,101,234
British vessels	16,358,774
French vessels	744,155
German vessels	6,572,958
Spanish vessels	4,879,778
Norwegian vessels	1,218,238
All others	2,428,343

TRADE OF THE PHILIPPINE ISLANDS

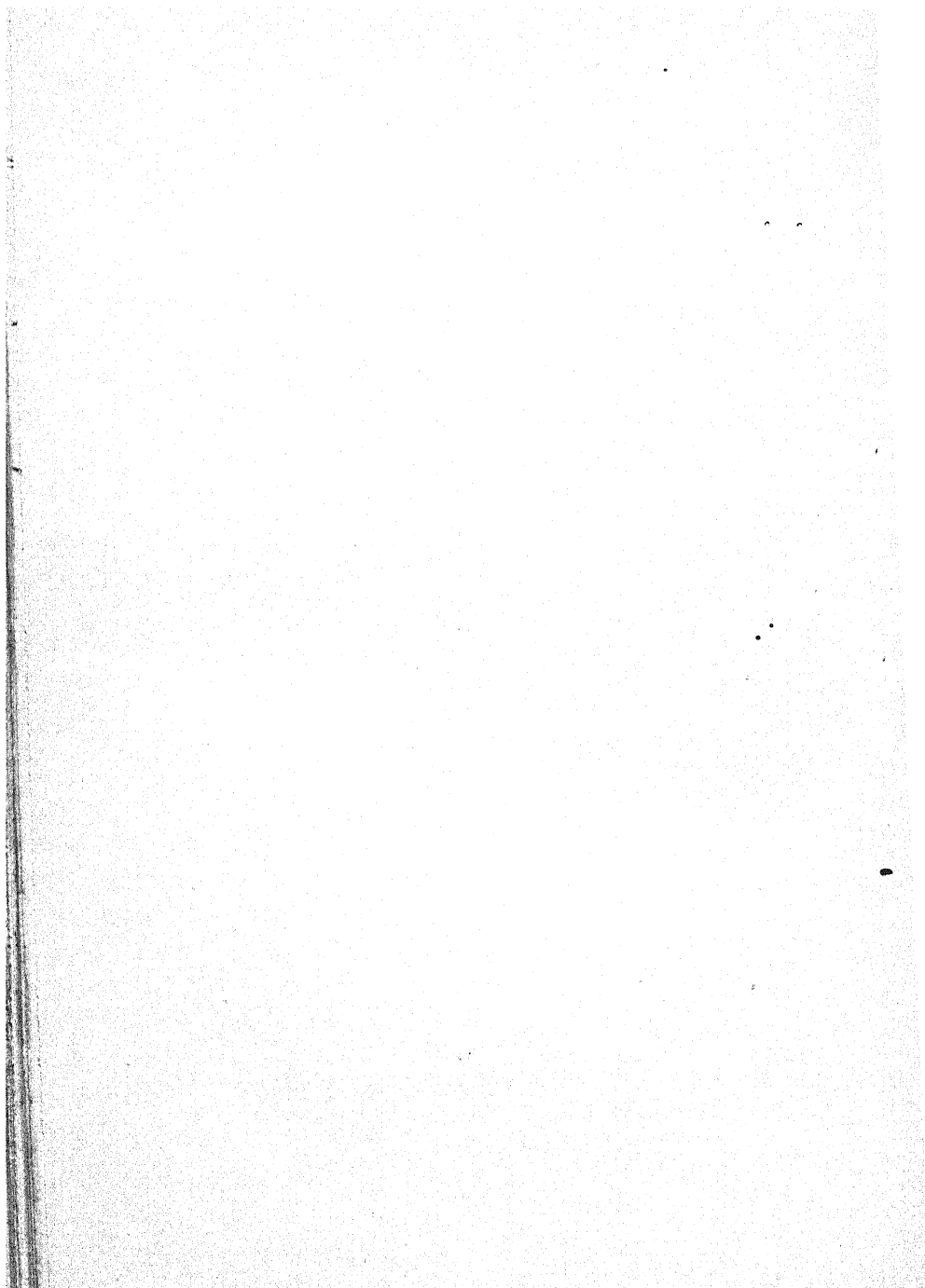
Values in U. S. dollars

	Imports	Exports
1900	20,601,436	19,751,068
1901	30,279,406	23,214,948
1902	32,141,842	23,927,679
1903	32,971,882	33,121,780
1904	33,220,761	30,250,627
1900	37	39.
	Rev.	Exp.
1909	19,357,000	19,355,000

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HONG KONG

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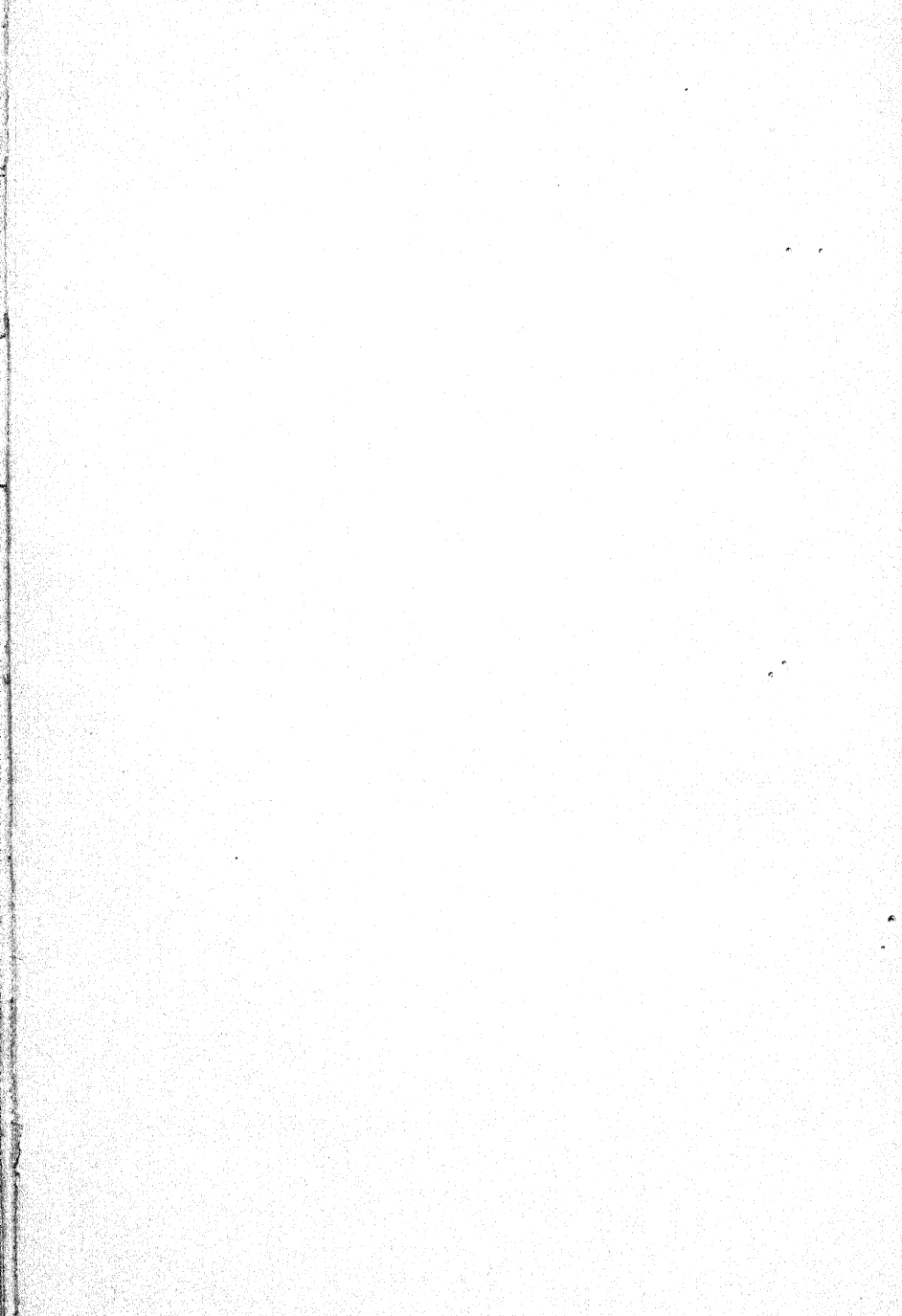
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APPENDIX C

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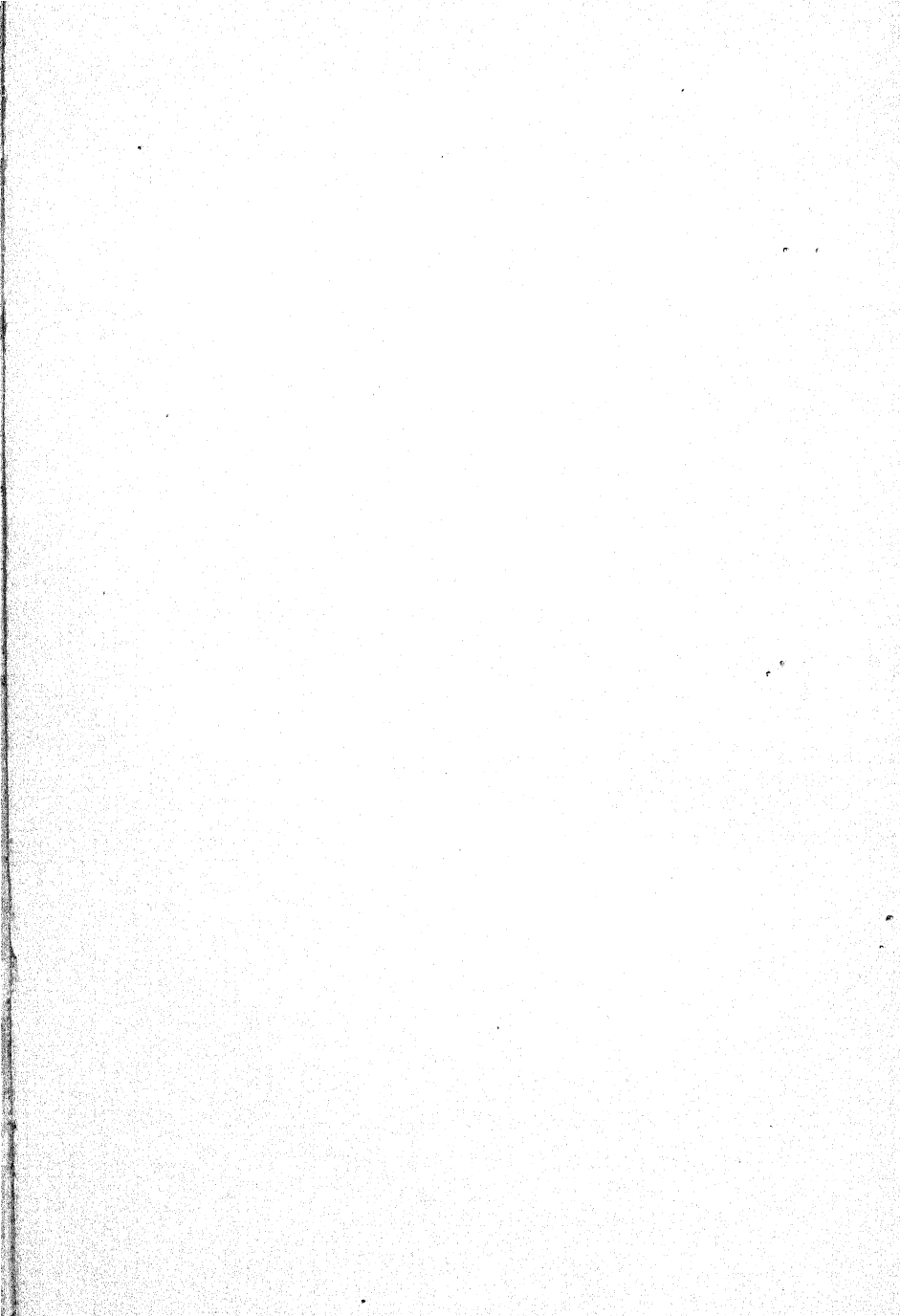


TABLE I

Total population of Philippines, classified as civilized and wild

PROVINCE OR COMANDANCIA. ¹	Total population.	Civilized.	Wild.
PHILIPPINE ISLANDS.....	7,635,426	6,987,686	647,740
Abra.....	51,880	37,823	14,037
Albay.....	240,326	239,434	892
Ambos Camarines.....	239,405	233,472	5,933
Antique.....	134,166	131,245	2,921
Basilan.....	30,179	1,331	28,848
Bataan.....	46,787	45,166	1,621
Batangas.....	267,715	257,715	.....
Benguet.....	22,745	917	21,828
Bohol.....	269,223	269,223	.....
Bulacan.....	223,742	223,327	415
Cagayan.....	156,239	142,925	13,414
Capiz.....	230,721	225,092	5,629
Cavite.....	134,779	134,779	.....
Cebu.....	653,727	653,727	.....
Cotabato.....	125,875	2,313	123,562
Dapitan.....	23,577	17,154	6,423
Davao.....	65,496	20,224	45,272
Ilocos Norte.....	178,995	176,785	2,210
Ilocos Sur.....	187,411	173,800	13,611
Iloilo.....	410,315	403,932	6,383
Isabela.....	76,431	68,793	7,638
Joló.....	51,389	1,270	50,119
La Laguna.....	148,606	148,606	.....
La Unión.....	137,839	127,789	10,050
Lepanto-Bontoc.....	72,750	2,467	70,283
Leyte.....	388,922	388,922	.....
Manila city.....	219,928	219,928	.....
Marinduque ²	51,674	51,674	.....
Masbate.....	43,675	43,675	.....
Mindoro.....	39,582	32,318	7,264
Misamis.....	175,683	135,473	40,210
Negros Occidental.....	308,272	303,660	4,612
Negros Oriental.....	201,494	184,889	16,605
Nueva Ecija.....	134,147	132,999	1,148
Nueva Vizcaya.....	62,541	16,026	46,515
Pampanga.....	223,754	222,656	1,098
Pangasinan.....	397,902	394,516	3,386
Paragua.....	29,351	27,493	1,858
Paragua Sur.....	6,345	1,359	4,986
Rizal.....	150,923	148,502	2,421
Romblon.....	52,848	52,848	.....
Samar.....	266,237	265,549	688
Siassi.....	24,562	297	24,265
Sorsogon.....	120,495	120,454	41
Surigao.....	115,112	99,298	15,814
Tarlac.....	135,107	133,513	1,594
Tawi Tawi.....	14,638	93	14,545
Tayabas ³	153,085	150,262	2,803
Zambales.....	104,549	101,381	3,168
Zamboanga.....	44,322	20,692	23,630

¹ Comandancia is the Spanish word for military district. At the date of the census the civil organization had not been extended to all parts of the archipelago and certain districts were therefore returned as comandancias which have since become civil districts.

² Sub-province of Tayabas.

³ Exclusive of sub-province of Marinduque.

TABLE II
Civilized population of Philippines, classified by color

1	PHILIPPINE ISLANDS.	Total population.	BROWN.		MIXED.	YELLOW.			WHITE.			BLACK.								
			Total.	6,914,880		Total.	15,419	Total.	42,097	Male.	41,071		Female.	1,026	Total.	11,450	Male.	Female.	Total.	1,019
2	Abra.....	37,823	37,773	6	29	29	1,227	1,225	29	.....	15	14	1	.....	.....	.....	.....	.....	.....	.....
3	Albay.....	230,434	237,114	579	1,227	1,227	1,066	1,066	294	2	294	258	36	220	.....	.....	.....	.....	.....	.....
4	Ambos Camarines.....	233,472	231,571	519	1,066	1,066	1,066	1,066	286	.....	286	251	35	30	.....	.....	.....	.....	.....	.....
5	Antique.....	131,245	130,696	297	158	158	44	44	32	.....	32	29	3	62	.....	.....	.....	.....	.....	.....
6	Basilan.....	1,331	1,226	48	44	44	27	27	13	.....	13	11	2	.....	.....	.....	.....	.....	.....	.....
7	Batangas.....	45,166	45,030	38	27	27	27	27	70	.....	70	56	14	.....	.....	.....	.....	.....	.....	.....
8	Batavia.....	257,715	257,095	78	232	232	12	12	263	.....	263	233	36	41	.....	.....	.....	.....	.....	.....
9	Benguet.....	269,223	268,890	152	152	152	152	152	84	.....	84	75	9	.....	.....	.....	.....	.....	.....	.....
10	Bohol.....	223,327	222,533	300	372	372	364	364	28	.....	28	24	4	.....	.....	.....	.....	.....	.....	.....
11	Bulacan.....	142,825	141,435	915	924	924	915	915	60	.....	60	48	12	3	.....	.....	.....	.....	.....	.....
12	Cagayan.....	225,092	224,519	311	200	200	189	189	233	.....	233	198	35	16	.....	.....	.....	.....	.....	.....
13	Capiz.....	134,779	133,483	150	852	852	827	827	62	.....	62	45	17	.....	.....	.....	.....	.....	.....	.....
14	Cavite.....	653,727	651,276	883	1,170	1,170	1,163	1,163	291	.....	291	229	62	3	.....	.....	.....	.....	.....	.....
15	Cebu.....	2,313	1,779	183	212	212	201	201	372	.....	372	312	60	26	.....	.....	.....	.....	.....	.....
16	Cotabato.....	17,154	17,078	12	57	57	54	54	1,163	.....	1,163	107	32	.....	.....	.....	.....	.....	.....	.....
17	Dapitan.....	20,224	20,093	60	19	19	19	19	7	.....	7	7	.....	.....	.....	.....	.....	.....	.....	.....
18	Davao.....	176,785	176,463	132	114	114	114	114	52	.....	52	49	3	.....	.....	.....	.....	.....	.....	.....
19	Ilocos Norte.....	173,800	173,207	138	291	291	291	291	62	.....	62	46	29	1	.....	.....	.....	.....	.....	.....
20	Ilocos Sur.....	403,932	401,113	622	1,603	1,603	1,583	1,583	140	.....	140	124	16	4	.....	.....	.....	.....	.....	.....
21	Iloilo.....	68,793	68,054	145	447	447	447	447	590	.....	590	492	98	4	.....	.....	.....	.....	.....	.....
22	Isabela.....	1,270	615	122	485	485	485	485	138	.....	138	125	13	9	.....	.....	.....	.....	.....	.....
23	Jolo.....	1,270	615	122	485	485	485	485	48	.....	48	31	17	.....	.....	.....	.....	.....	.....	.....

24	La Laguna.....	148,695	147,710	103	596	523	2	195	155	40	3
25	La Union.....	127,780	127,310	101	203	202	1	94	84	10	41
26	Lepeano-Bonocoe.....	9,467	9,388	84	176	171	1	34	34	40	2
27	Lucena.....	388,393	387,393	571	1,786	1,785	1	284	104	40	2
28	Marikina City.....	210,928	182,351	4,564	21,838	21,105	783	7,943	6,136	1,807	232
29	Marinduque ¹	51,674	51,537	49	73	70	3	15	12	3	4
30	Masbate.....	43,675	43,349	117	134	134	1	71	61	10	6
31	Mindoro.....	32,318	32,155	37	70	69	1	55	49	6	1
32	Misamis.....	135,473	134,341	368	531	531	3	202	188	14	1
33	Negros Occidental.....	303,680	301,877	636	840	846	3	307	259	43	1
34	Negros Oriental.....	184,889	184,045	380	330	328	2	62	57	5	53
35	Nueva Ecija.....	132,989	132,560	150	183	180	3	72	68	14	34
36	Nueva Vizcaya.....	16,026	15,991	16	1	1	1	18	18	14	32
37	Pampanga.....	232,656	221,777	636	562	550	12	149	118	31	60
38	Pangasinan.....	394,516	393,106	283	724	714	10	253	218	35	20
39	Paragua.....	27,493	27,362	43	39	39	10	29	25	4	3
40	Paragua Sur.....	1,359	1,296	8	35	35	5	20	17	3	17
41	Rizal.....	148,502	147,558	119	525	520	6	283	220	63	7
42	Romblon.....	62,848	62,505	91	128	128	3	34	31	3	2
43	Samar.....	265,549	264,286	219	825	822	3	212	200	12	16
44	Siasi.....	297	297	45	239	190	49	7	4	3	17
45	Sorsogon.....	120,454	119,070	381	844	840	4	167	144	13	2
46	Surigao.....	99,298	98,779	127	320	317	3	66	51	5	1
47	Tarlac.....	133,513	132,968	200	325	320	5	62	54	2	1
48	Tawi Tawi.....	93	93	3	72	47	1	159	143	11	35
49	Tayabas ²	150,262	149,392	297	193	190	8	51	45	9	21
50	Zambales.....	101,381	101,365	618	643	621	22	191	150	41	2
51	Zamboanga.....	20,652	19,240	618	643	621	22	191	150	41	2

¹ Sub-province of Tayabas.

² Exclusive of sub-province of Marinduque.

Amongst the "Brown" and "Mixed" the sexes are very evenly distributed; the great preponderance of males amongst the "Yellow" and "Whites" is shown in the above table.

TABLE III

Civilized Population of Philippines, classified by place of birth

Born in Philippine Islands	6,931,548
United States	8,135
Other America	83
Spain	3,888
France	121
United Kingdom	667
Germany	368
Other Europe	487
China	41,035
Japan	921
East Indies	241
Other Asia and Oceania	108
All other countries	84
Total civilized population	6,987,686

TABLE IV

Civilized male population of voting age (21 years and over)

Illiterate	1,137,776
Literate	489,609
Superior education	50,140
Total	1,677,525

TABLE V

Civilized Population of Philippines attending school

PROVINCE OR COMANDANCIA.	Total.	
	Male.	Female.
PHILIPPINE ISLANDS.....	443,012	368,708
Abra	3,717	3,162
Albay	16,951	13,515
Ambos Camarines	13,607	10,780
Antique.....	9,380	8,873
Basilan	48	45
Bataan	2,137	1,479
Batangas	10,229	8,503
Benguet	51	35
Bohol.....	20,173	19,815
Bulacán.....	13,165	10,170
Cagayán	7,435	5,363
Cápiz	11,756	9,964
Cavite	8,306	7,101
Cebú	48,957	45,647
Cotabato	89	84
Dapitan.....	1,227	1,068
Dávao	878	657
Ilocos Norte.....	11,105	9,136
Ilocos Sur	11,100	8,886
Iloilo	25,884	22,924
Isabela	4,018	3,319
Joló	45	17
La Laguna	8,610	6,504
La Unión	11,146	8,355
Lepanto-Bontoc	132	122
Leyte	27,326	24,155
Manila city.....	10,809	6,509
Marinduque ¹	5,278	4,168
Masbate	3,185	2,606
Mindoro	2,273	1,801
Misamis	9,452	8,508
Negros Occidental	13,663	11,465
Negros Oriental	10,020	9,100
Nueva Ecija.....	7,701	4,858
Nueva Vizcaya	1,513	1,162
Pampanga	9,917	6,882
Pangasinán.....	31,343	26,776
Paragua	1,585	1,314
Paragua Sur.....	38	32
Rizal	6,934	5,058
Romblón.....	4,168	3,312
Samar	12,334	10,024
Siassi	12	1
Sorsogón.....	7,733	7,852
Surigao	8,229	7,390
Tarlac	7,783	5,521
Tawi Tawi	3	2
Tayabas ²	11,312	8,987
Zambales	6,091	3,631
Zamboanga	1,664	1,470

¹ Sub-province of Tayabas.² Exclusive of sub-province of Marinduque.

TABLE VI
Civilized population of Philippines 10 years of age and over, classified by literacy and sex

[illegible]

	293,931	105,817	135,847	74,444	70,205	31,373	65,642	36,392	15,905	6,971	2,439
Iloilo.....	50,349	18,606	22,162	15,920	18,041	2,786	4,121	8,111	1,470	528	115
Isabela.....	1,069	379	379	379	280	.....	.....	361	49	8	8
Jolo.....	113,560	31,501	48,940	21,367	20,254	10,134	18,686	24,374	8,745	949	340
La Laguna.....	87,505	26,736	42,129	18,030	26,295	8,706	15,834	15,043	3,537	1,245	269
La Union.....	1,710	581	676	537	587	.....	.....	330	123	.....	4
Lepanto-Bontoc.....	271,380	101,292	114,629	79,239	77,280	22,053	37,349	36,508	18,951	1,307	371
Leyte.....	45,404	12,279	47,079	30,804	25,747	14,860	21,332	70,063	24,050	12,578	4,264
Marinduque.....	35,987	10,691	16,943	8,229	11,320	4,050	5,623	4,971	1,794	295	109
Masbate.....	28,543	10,691	12,709	8,345	2,346	2,346	3,909	3,923	1,220	166	48
Mayaguez.....	23,220	8,419	10,396	6,680	7,141	1,739	3,255	3,462	953	137	17
Mindoro.....	83,492	37,109	38,516	32,287	28,834	4,822	9,682	11,578	6,289	267	59
Misamis.....	214,039	90,547	91,822	76,053	63,003	14,494	28,819	23,616	8,054	2,391	803
Negros Occidental.....	127,427	54,199	58,903	48,752	49,583	5,447	9,320	9,080	5,306	184	54
Negros Oriental.....	104,630	30,533	43,372	20,910	25,202	9,623	18,170	16,863	3,862	2,086	354
Nueva Ecija.....	19,063	3,451	4,903	2,730	3,619	721	1,284	2,602	1,110	91	17
Nueva Vizcaya.....	150,172	44,395	73,116	25,384	42,075	18,411	31,041	33,873	7,788	1,798	621
Pampanga.....	263,243	92,146	123,701	67,806	79,204	24,340	44,497	41,204	11,198	4,142	1,221
Pangasinan.....	13,580	7,756	9,696	6,351	8,469	905	1,227	1,508	530	39	16
Paragua.....	113	489	354	397	331	42	23	284	42	.....	6
Paragua Sur.....	113,344	35,953	50,208	19,239	23,977	16,714	26,231	20,890	6,293	2,172	700
Rizal.....	38,673	13,950	16,368	12,044	13,185	1,906	3,183	3,946	1,414	176	41
Romblon.....	186,718	78,273	85,331	70,007	70,317	8,271	15,014	16,541	6,568	184	21
Samar.....	239	111	32	107	31	4	1	79	13	20	4
Siassi.....	85,435	26,760	34,416	14,883	15,637	11,877	18,779	17,052	7,277	2,054	693
Sorsogon.....	89,606	28,110	30,678	24,363	23,366	3,747	7,292	7,152	3,156	74	86
Surigao.....	92,410	31,538	42,388	23,313	23,357	8,225	14,031	15,248	3,336	1,056	367
Tarlac.....	84	9	59	59	9	.....	.....	13	.....	.....	.....
Tawi Tawi.....	110,387	27,163	43,505	19,147	26,281	8,006	17,224	28,362	11,367	1,014	231
Tayabas.....	63,233	21,708	31,909	16,578	22,563	5,130	9,466	12,547	3,039	1,091	244
Zambales.....	14,341	4,361	5,265	3,461	3,293	900	1,972	3,154	1,561	53	10
Zamboanga.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

2 Exclusive of sub-province of Marinduque.

1 Sub-province of Tayabas.

TABLE VII

Civilized population of Philippines, classified by grand groups of occupations and sex

PROVINCE OR COMANDANCIA.	AGRICULTURAL PURSUITS.		PROFESSIONAL SERVICE.		DOMESTIC AND PERSONAL SERVICE.		TRADE AND TRANSPORTATION.		MANUFACTURING AND MECHANICAL PURSUITS.		NOT GAINFUL, OR UNKNOWN.	
	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.
PHILIPPINE ISLANDS.....	1,163,777	90,286	23,358	2,279	431,358	140,557	150,989	75,566	243,081	716,559	1,484,059	2,465,747
Abra.....	8,460	105	108	17	801	254	249	252	621	4,969	8,337	13,590
Albay.....	30,497	1,990	841	78	28,006	4,518	3,307	626	3,960	23,331	51,985	90,335
Amboas Camarines.....	20,394	812	1,065	91	32,392	5,288	4,363	641	9,001	23,168	48,824	87,943
Antique.....	11,699	179	371	52	16,554	3,553	879	146	2,139	19,539	30,706	45,128
Basilan.....	255	1	8	3	128	87	61	6	83	71	190	438
Batán.....	2,909	397	198	19	5,228	2,318	492	1,737	4,798	621	9,094	17,949
Batangas.....	64,790	1,330	524	48	9,111	3,790	5,079	3,731	6,398	48,486	46,713	82,736
Benguet.....	224	19	40	2	123	58	41	4	74	88	46,713	131
Bohol.....	44,869	326	474	82	5,693	937	5,702	285	8,061	6,580	65,553	130,943
Bulacán.....	25,457	1,446	870	69	24,161	10,827	3,643	8,417	10,825	14,640	38,143	78,948
Cagayán.....	33,498	26,770	331	29	6,709	2,077	2,358	587	1,804	4,490	28,105	58,948
Capiz.....	20,762	864	521	25	24,552	10,393	1,762	528	1,596	23,535	42,904	77,430
Cavite.....	22,901	423	745	48	6,180	2,420	3,254	4,647	8,517	13,299	94,892	47,493
Cebu.....	113,529	2,829	1,144	194	26,191	9,044	9,429	8,440	10,811	77,120	167,605	236,691
Cotabato.....	263	17	2	2	281	56	273	2	162	300	3,244	300
Davao.....	4,112	522	60	8	606	263	273	2	159	1,206	3,244	6,344
Dávao Norte.....	4,465	186	30	7	1,259	131	131	131	338	4,228	4,228	8,116
Iloos Norte.....	42,185	1,586	612	32	1,712	1,041	936	489	9,311	39,735	36,735	57,043
Iloos Sur.....	27,415	634	560	96	10,455	1,563	2,873	717	6,605	21,853	35,941	64,987
Iloilo.....	53,442	1,650	1,180	146	33,769	7,569	11,636	1,508	16,900	58,596	81,636	136,570
Isabela.....	19,764	13,482	376	13	1,263	702	971	1,193	645	268	12,969	18,077
Joló.....	4	.....	17	1	237	22	282	7	73	1	180	396

La Laguna.....	20,741	3,591	728	48	11,162	5,945	4,010	5,197	10,025	5,409	26,651	55,098
La Union.....	21,730	229	403	30	6,291	1,173	881	286	3,302	21,570	29,668	42,226
Lepanto-Bontoc.....	249	12	25	3	411		49	8	58	323	494	758
Leyte.....	79,185	1,500	1,111	104	12,018	5,686	6,346	2,827	7,515	42,094	91,814	138,222
Manila city.....	2,605	86	2,827	481	36,060	11,754	41,020	3,729	21,191	13,075	27,956	59,114
Marinduque ¹	8,109	63	135	19	3,652	331	406	57	828	5,671	12,182	20,241
Masbate.....	6,575	76	144	11	2,458	585	669	26	1,655	4,165	11,051	16,812
Mindoro.....	6,470	82	142	11	1,317	681	840	169	777	4,935	7,005	9,839
Misamis.....	29,301	411	292	38	5,955	2,352	1,739	478	2,266	9,396	30,696	52,109
Negros Occidental.....	57,892	1,737	523	59	21,766	4,564	6,788	1,188	12,480	27,898	60,850	108,005
Negros Oriental.....	30,467	659	350	36	15,223	4,068	1,601	789	3,471	24,440	41,096	62,589
Nueva Ecija.....	30,018	2,369	457	19	4,065	4,272	1,518	4,260	2,458	4,395	28,403	50,765
Nueva Vizcaya.....	4,386	21	131	6	348	57	71	6	88	289	3,067	7,626
Pangasinan.....	34,902	4,848	886	62	5,501	7,559	6,382	8,787	18,416	16,021	43,949	75,343
Pampanga.....	86,361	4,407	1,154	72	4,289	4,085	4,327	4,692	12,894	38,139	88,440	145,656
Pangasinan.....	4,799	1,356	48	11	1,367	513	399	21	654	1,751	6,090	10,494
Pangasinan Sur.....	158	.....	13	.....	345	88	80	3	82	44	154	432
Rizal.....	11,924	321	667	34	14,241	5,571	5,379	6,266	10,008	11,224	25,561	50,046
Rosario.....	10,365	679	240	14	1,908	1,181	474	46	557	7,351	13,083	26,940
Rubion.....	59,620	591	472	23	8,289	1,651	2,640	362	4,717	41,895	59,788	86,941
Samar.....	.....	.....	.....	.....	62	3	57	1	1	1	1	16
Sasag.....	13,335	119	482	34	14,955	1,022	2,104	291	3,285	11,383	27,691	45,429
Surigao.....	21,695	2,547	323	37	3,170	5,327	574	48	1,481	6,787	23,419	37,012
Tarlac.....	27,858	5,165	392	16	6,760	3,579	1,470	2,116	2,192	4,440	28,861	50,802
Tawi Tawi.....	.....	.....	.....	.....	33	.....	.....	.....	.....	.....	.....	13
Tayabas ²	33,164	5,145	747	41	6,220	3,180	2,153	774	4,043	17,317	29,442	48,031
Zambales.....	16,664	1,695	422	19	6,716	2,083	944	492	3,166	8,247	22,805	38,248
Zamboanga.....	3,381	25	115	22	1,164	364	802	4	626	291	4,685	9,223

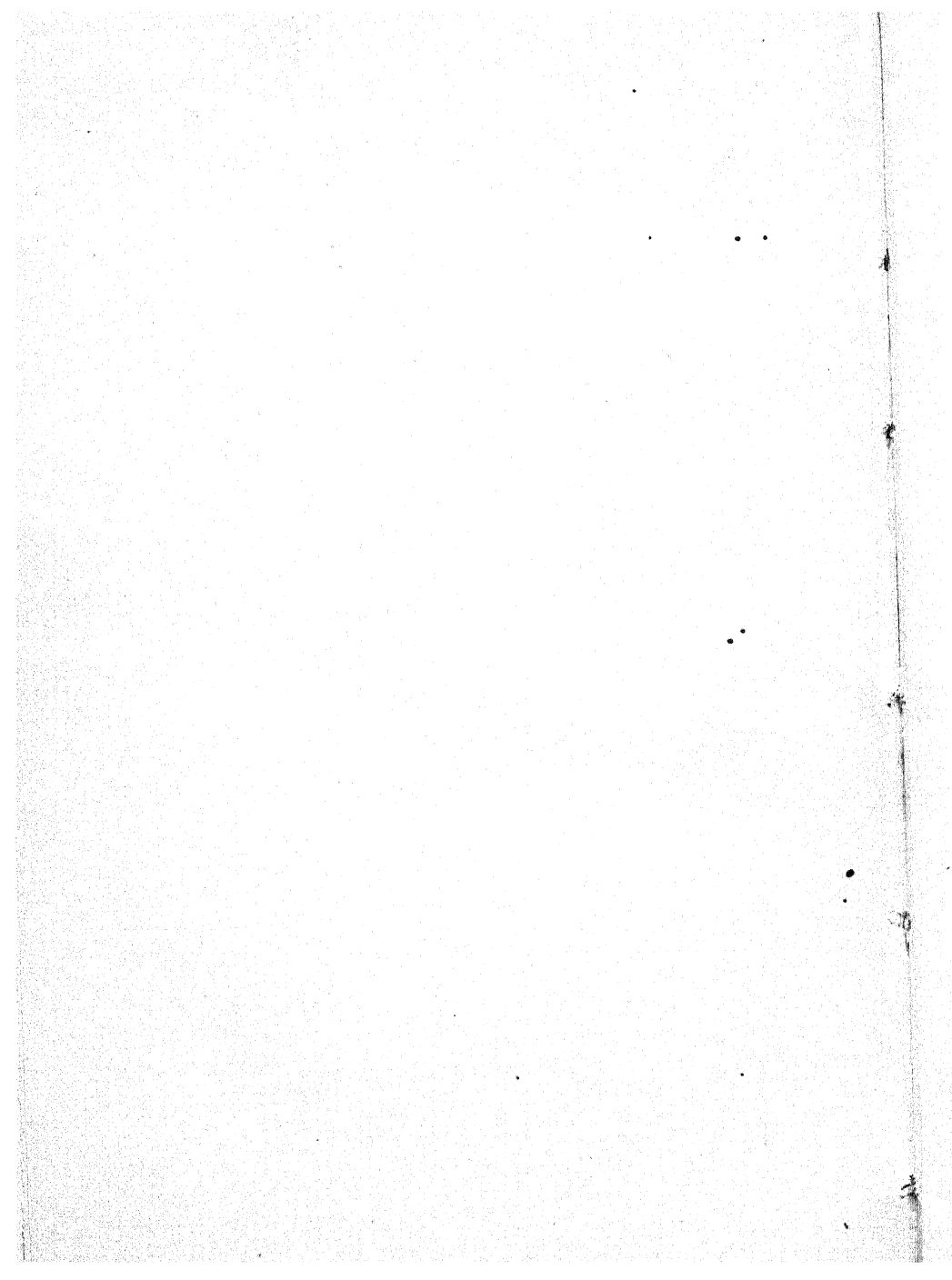
¹ Sub-province of Tayabas.² Exclusive of sub-province of Marinduque.

TABLE VIII

Civilized population, classified by principal occupations. (All occupations showing more than 5000 persons, exclusive of U. S. Army.)

Farmers and Farm Laborers	1,236,327
Weavers and Spinners	569,906
Laborers not specified	384,400
Merchants	137,311
Fishermen	116,799
Launderers	66,909
Seamstresses	65,285
Servants	54,523
Carpenters	38,230
Cooks	28,747
Sailors	23,027
Matmakers	22,272
Constabulary and Police	20,935
Distillers	15,379
Herdsmen	14,683
Coachmen	14,610
Tailors	14,201
Salesmen	13,165
Hatmakers	12,979
Clerks	12,360
Bagmakers	11,313
Cigarmakers	11,036
Boatmen	8,864
Musicians and Teachers of Music	8,661
Nipa-workers	7,349
Embroiderers	7,224
Potters	6,125
Government Officials	5,950
Teachers	5,362
Blacksmiths	5,185

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